



INFLUENCE OF STRATEGIC HUMAN RESOURCE DEVELOPMENT ON PERFORMANCE OF SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN PUBLIC ROAD TRANSPORT SECTOR IN KENYA

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ABSTRACT

Despite the fact the strategic management practices influence performance of organizations, limited studies have been conducted to unfold problems experienced in this sector thus formed the basis of conducting this study. The objective of the study was to establish the influence of strategic human resource development on performance of Sacco's in the Public Road Transport in Kenya. Further, the moderating effect of environmental analysis on the relationship between strategic human resource development and performance of Sacco's in the public road transport in Kenya was tested. Positivist paradigm and adopted descriptive research design. The target population was 475 Public Road Transport Sacco's operating in Kenya as per National Transport and Safety Authority report of 2015. Stratified random sampling method was adopted to choose 189. Respondents were selected from large, medium and small public Road Transport Sacco's operating in Kenya. Managers of public road transport Sacco's were the respondents of the study. Structured questionnaires were used to collect primary data. Secondary data was collected from internal reports of Sacco's such as strategic plans and other reports. Data was analyzed quantitatively and tabulated using descriptive statistics. Regression and correlation analysis, were conducted to established statistical relationship between strategic human resource development on performance of Sacco's in the Public Road Transport Sector in Kenya. The study concluded that strategic human resource development is one of the drivers of performance in public road transport sector Sacco's if given the attention it deserves. Giving touts and drivers formal training would enhance service delivery thus customer satisfaction and economic growth.

Key Word: Strategic Human Resource Development, Organization Performance

Introduction

Muogbo (2013) suggests that strategic management is a concept that concerns making decisions and taking corrective actions to achieve long-term targets and goals of an organization. It is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson, 2007). Strategic management therefore includes; strategy formulation, strategy implementation and strategy evaluation and control. Strategic management practice contributes to performance by generating relevant information, creating a better understanding of the environment and reducing uncertainty. Porter (2004) states that organizational performance is determined by the ability of the firm to find its unique position and strategic management practice is the tool to enable the firm acquire that strategic position. Establishing annual objectives, devising policies, and allocating resources are central strategy implementation activities common to all organizations. Depending on the size and type of the organization, other management issues could be equally important to successful strategy implementation (Pearce & Robinson, 2011). Murimbika and Urban (2013) suggests that there is a positive correlation between strategic human resource development and organizational performance. Organizations that operate in the dynamic business environment are likely to remain competitive if they adopt appropriate strategies.

Armstrong (2010) regards Strategic Human Resource Development (SHRD) as a process that facilitates the development of human capital in the organization. He further argues that, human resource strategies have remained the integral part of any competitive business enterprise. On the other hand, SHRD is regarded as a set of managerial decisions and actions that provide the long-run performance of an organization.

Strategic human resource development is observed to be a continuous activity that requires constant adjustment of top management, the business environment and organization resources. Strategic Human Resource Development is instituting policies and procedures that facilitate skillful strategy execution, using teams to influence cross-functional knowledge and capabilities (Linge & Kiruri, 2013). It involves developing knowledge management abilities that facilitate the leveraging of best practices and effective and efficient capture of economy of scope opportunities, developing learning organizations that facilitate the constant adoption, utilization, ownership, and internal dissemination of best practices, and executing change management approaches that contribute to building and maintaining strategy supportive corporate culture (K'obonyo, & Arasa, 2012).

The history of public road transport in Kenya stretches back to 1934 when London-based Overseas Trading Company (OTC) introduced the first buses, a fleet of 13 on 12 routes. These routes 1-12 formed the earliest traditional bus routes in Kenya that are still in use today. Public road transport is dominated by Matatus. The term Matatu is derived from a local Kikuyu vernacular term "mang'otore matatu" which means thirty cents, which was then the standard charge for every trip made (GoK, 2014). Road infrastructure is one of the key components of communication and development of nations. The Kenya Vision 2030 aspires for a country with integrated roads, interconnected railways, communication ports, airports, infrastructure waterways and communications as well as provision of adequate energy. Kenya's roads sector has undergone many changes over the past five decades and has yet reached arguably its most illustrious period. Implementation of the latest road policy is expected to take the sector to the next level in the context of the 2010 Constitution (National Transport & Safety Authority, 2014). In regards to the Kenya's road to economic and social

development, road infrastructure has played and continues to play a key role. In this, the public sector has been the key actor supported by a diverse cast that includes development partners and the private sector (GoK, 2014).

Transport services constitute a key component of Kenya's service sector in both their contribution to the country's employment and income generation and their role in external trade, especially at the regional level. The Kenya economy is dependent on roads and road transport. Good infrastructure facilitates trade, economic development and improvement in the quality of life, especially in Kenya where roads carry over 80 per cent of passenger transport. Roads are one of the modes of transport of people and goods and are used to interconnect other modes as well as provide access to basic social services (KIPPRA, 2014). Unfortunately, the industry's vast growth has been accompanied by increasing road accidents, poor customer service, lack of compliance to laws from industry players and inefficiency on the part of law enforcers. The causes of accidents include reckless driving, non-roadworthy vehicles and the poor conditions of the roads which are among aspects contributing to poor performance of the public road transport sector in Kenya (National Transport & Safety Authority, 2014). Formation of the public road transport sector Sacco's was initiated by the Ministry of Transport and Communications Legal Notice No. 161 formulated in 2003. The aim of the policy was to regulate the Public Service Vehicle (PSV) sub-sector. Due to the informal nature of the public road transport in Kenya, Sacco's are being formed as an initiative of the Transport and Communications Legal Notice No. 161.

The aim of forming Sacco's was to control and regulate the operations of the sector with an objective of enhancing sanity in the Matatu sector in Kenya. Matatu owners are encouraged to register their vehicles under Sacco's as a new

government policy through the Ministry of Transport (National Transport & Safety Authority, 2014). Recent changes in government institutions that engage with operators in the Matatu sector have brought about renewed hope of finding a lasting solution to the public road transport problem that is common in most urban towns in Kenya. By bringing together various government institutions under the National Transport and Safety Authority (NTSA), the Government intended to make it easier to monitor and regulate public road transport in the country through Sacco's. The new National Transport and Safety Authority Regulations requires that Matatu owners should hand over their vehicles to registered road transport Sacco's by signing a contract or franchise agreements with the management of Sacco's. The role of Sacco's is to ensure that the industry players abide by the policies formulated by the government and ensure the public road transport is managed more efficiently and effectively (National Transport & Safety Authority, 2014). KIPPRA (2013) noted that the Matatu industry in Kenya has for many years been associated with road accidents, recklessness and lawlessness. It is an industry that is most cited for lack of strategic practices and policies. These include no schedules, poor working conditions for workers, fluctuating fares, undesignated stops, cartels, and harassment. Despite all this, Matatu industry is a major economy booster; creating direct and indirect employment to thousands of diverse vehicle owners, Matatu Sacco's, management companies, drivers, touts, route managers, mechanic; and a source of livelihood and investment opportunity for hundreds of Kenyans working in insurance companies, tracking companies and spare parts dealers among others (National Transport & Safety Authority, 2014).

Despite the economic significance of Sacco's in the public road transport in Kenya, it is observed that public road transport sector is underperforming based on increased rate of

strikes among industry players, high rate of accidents that have increased mortality rates and psychological duress among family members of accident victims, inconsistencies in service delivery and slow rate of implementing new policies (NTSA, 2015). Stability of the public road transport sector in Kenya is purely dependent on strategic management of Sacco's which remains a challenge despite the efforts of the Ministry of Transport to encourage Sacco's to embrace law and order (KIPPRA, 2014). Otieno and Oyugi (2016) assert that Sacco's operate under complex and dynamic environment which is unique and specific to the sector. This has contributed to either collapse or deteriorating performance for those survived. This is due to numerous challenges encountered in this volatile environment and which have also affected Sacco's in the public road transport sector. According to the National Transport and Safety Authority report of (2015), it was noted that 93% of the Sacco's in the public road transport in Kenya were not embracing the strategic management approach in their operation as compared to developed countries such as United States of America, Germany, Denmark among others. As such, inconsistencies in public road transport sector services are a clear indicator of deteriorating performance of the sector. Non-adherence of industry stakeholders, drivers, touts, commuters to NTSA regulations and high cases of accidents are some of the issues of concern in this sector. (Ministry of Transport & Communication, 2009). According to a survey conducted in Kenya by the Ministry of Transport (2009), it was noted that formulation of strategic policies was the only approach to regulate and transform the public road transport sector in order to stimulate economic development. However, despite limited studies conducted locally, it was noted from their findings that little attention had been paid by previous researchers with regard to strategic human resource development and performance of the public road transport sector in Kenya.

Therefore, it was on this background that this study sought to establish the influence of strategic human resource development on performance of Sacco's in the public road transport sector in Kenya.

Objective of the Study

The objective of the study was to establish the influence of strategic human resource development on the performance of Sacco's in the Public Road Transport in Kenya.

Null Hypothesis of the Study

H₀₁: There was no significant influence of strategic human resource development on performance of Sacco's in the Public Road Transport in Kenya.

Literature Review

Theoretical Review

The study was anchored on human capital theory that was founded by Becker in 1993. In his classic book, *Human Capital*: Becker argues that there are different kinds of capitals that include schooling, a computer training course and expenditures on medical care. Becker noted that the most valuable of all capital is that of investment in human being. He distinguishes firm-specific human capitals from general-purpose human capital. Examples of firm-specific human capital include expertise obtained through education and training in management information systems, accounting procedures, or other expertise specific to a particular firm. General-purpose human capital is knowledge gained through education and training in areas of value to a variety of firms such as generic skills in human resource development (Guest, Michie, Conway, & Sheehan, 2003). Human capital arises out of any activity able to raise individual worker productivity (Guest et al., 2003). In practice full-time education is, too readily, taken as the principal example. For workers, investment in human capital involves both direct costs, and costs in foregone earnings. Workers making the

investment decisions compare the attractiveness of alternative future income and consumption streams, some of which offer enhanced future income, in exchange for higher present training costs and deferred consumption. Returns on societal investment in human capital may in principle be calculated in an analogous way (Huang, Roy, Ahmed, Heng & Lim, 2002). Human capital, in real sense, is an invisible asset (Carell, 2006). The importance of the human capital pool (the collection of employee capabilities), and how it is managed through human resource processes, becomes apparent, then, to the strategic aims of the organization. If the types and levels of skills are not equally distributed, such that some firms can acquire the talent they need and others cannot, then (*ceteris paribus*) that form of human capital can be a source of sustained competitive advantage.

Empirical Review

Strategic Human Resource Development and Organization Performance

Bakar, Tufail, Yusof and Virgiyanti (2011) ascertain that strategic human resource management is one of the strategic management practices that contributes to organizational performance. Organizational development practices like employee coaching, training, mentorship and delegation of duties contributed to improved productivity of the organization. There is a relationship between employee skills and performance among organizations. By extension, the study observed that employee training entails to a group of essential abilities that involve the development of a knowledge base, expertise level and mindset that is increasingly necessary for success in the modern workplace. However, it was noted that the study adopted a case study research design, adopted a census approach that was too large, adopted questionnaire as instruments of data collection and analyzed data using factor analysis.

Afzal, Mahmood, Sherazi, Sajid and Hassan, (2013) suggest that human resource planning is one of the human resource competitive practices that enhance organizational productivity. Organizations regard its human resource as their core competency because it would lead towards better organizational performance and therefore they should always seek to identify people with the right mix of knowledge and skills to perform. Organizations that do not have clear human resource plans are likely to fail. Chebet (2015) also established that effective human resource planning was the only way organizations are using to meet customer demands in the changing business environment. Organizations should engage human resource professionals to conduct employee needs assessment. However, it was noted that the study adopted a case study research design, adopted a sample size that was too small and quota sampling design, and used questionnaires to collect data used. Furthermore, it was observed that data analysis method was multiple regression analysis. Mbondo (2011) argues that strategic human resource development is a function in organizations designed to maximize employee performance in the service of an employer's strategic objectives. Strategic human resource management is primarily concerned with the management of people within organizations, focusing on policies that are intended to enable the organization survive in the changing business environment. However, it was noted that the study adopted a case study research design, adopted a census approach, adopted questionnaire as instruments of data collection and analyzed data using factor analysis.

Research Methodology

This study adopted a positivist research philosophy to establish the influence of strategic human resource management on the performance of Sacco's in the Public Road Transport in Kenya. The study adopted descriptive

research design. Target population of this study was 475 Sacco's in the Public Road Transport Sector in Kenya and Registered by the National Transport and Safety Authority (NTSA, 2015). The unit of analysis was Public Road Transport Sacco's and unit of observation were employees of Public Road Transport sector Sacco's. Questionnaires were used to collect primary data from managers of Public Road Transport Sacco's operating in Kenya whereas secondary data was collected from published materials including reports, business plans and related research studies. The general model for testing the objective of the study was to predict the direct effect between strategic human resource development and performance of public transport sector Sacco's in Kenya was represented by the model in the form of: $H_{01}:PPTSS = \beta_0 + \beta_1SHRD + \epsilon$. Where PPTSS was the dependent variable (Performance of Public Transport Sector Sacco's) and is a linear function of SHLD+ ϵ . β_0 is the intercept, β_1 is the regression coefficient or change induced in PPTSS by SHLD which is

Strategic Human Resource Development + ϵ which is the error term that accounts for the variability in PPTSS that cannot be explained by the linear effect of the predictor variables. Further, for testing the moderating effect of environmental analysis on the relationship between strategic human resource development and performance of public transports sector Sacco's was represented by the model of the form: $H_{02}:PPTSS = \beta_0 + \beta_1SHRD + \beta_2 EA + \beta_3SHRD*EA + \epsilon$. Where EA was the moderating variable which was environmental analysis. The study targeted a total of 189 managers of Public Road Transport Sector Sacco's operating in Kenya. 178 questionnaires were received from the field, 11 were poorly or inappropriately filled and therefore they were not used in the analysis. A total of 178 questionnaires were used in the analysis, this represented 94 % response rate which was above the adequate 50% as recommended by Fisher (2010) and Saunders *et al.* (2009).

Research Findings

Table 1: Strategic Human Resource Development

Indicators of Measurement	N	Mean	SD	%
Public Road Transport Sacco's have human resource plans	178	3.78	.884	98%
Public Road Transport Sacco's have clear compensation policies.	178	3.61	.664	91%
Public road transports Sacco's anticipate future industry trends and invest in employee training.	178	3.58	.587	73%
Sacco's believe in employee training for better results.	178	3.47	.673	72%
Sacco's always conduct training needs assessment to determine areas of improvement	178	3.33	.596	63%
Sacco's have a criteria of appraising staffs	178	2.10	.498	53%
Sacco's always motivate workers using financial and non-financial rewards	178	2.10	.4.91	47%
Sacco's provide good working conditions for employees such as provision of health and safety.	178	2.08	.4.34	35%
Employees of Sacco's are encouraged to enroll in job related courses for self-development.	178	2.04	.398	28%
Employees of Sacco's benefit from a permanent and pensionable employment contract.	178	2.04	.342	22%

As shown in Table 1, majority of the respondents indicated that most of their Sacco's did not have human resource plans with a mean 3.78. This implied that most of the Sacco's were being

managed by employees who were paid wages in consideration of what they do on a daily basis. Further, it was noted that most of the staff of Sacco's were engaged on temporal basis and there was no job security. However, it was

indicated that most of the employees managing the Public Transport Sector Sacco's were relatives of shareholders and human resource plans were rarely developed. Most the workers were getting engaged based on nepotism and tribalism. Most of the respondents indicated their Sacco's did not have compensation policies with a mean of 3.61. This implies that Sacco's were engaging drivers, touts and other customer service staff on a temporal basis and provided them with daily wages for the services provided. Moreover, some indicated that leaders were not in a position to anticipate future industry trends and invested in employee training with a mean of 3.58. This implied that most of the Public Transport Sacco's were not prepared to adjust to changing trends like such as adoption of cashless payment which was a new technology in the public transport sector. It was also noted that the sector engaged employees without any scheme of service. Signing of employment contracts among workers was a rare practice. It was revealed by respondents that employees were not given any professional training to enhance their performance with a mean of 3.47. This implied that most of the Sacco's did not consider training as a strategic practice due to lack of visionary leaders. Most of the Sacco's always considered trainings as an extra cost to the Sacco's despite the NTSA regulations. It was noted by of them that most of the Sacco's did not conduct training needs assessment to ascertain key areas of

improvement with a mean of 3.33. This implied that Sacco's in the Public Road Transport Sector were still managed using conventional approached that were rigid to modern Human Resource Management practices. It was indicated by of the respondents that their Sacco's did not have clear criteria of appraising staff with a mean of 2.10. This was due to lack of a clear human resource policy regulating recruitment of workers among Public Road Transport Sector in Kenya. It was also indicated by some of the respondents that their Sacco's on a small extent motivated the workers using financial rewards with a mean of 2.10. However, it emerged that most of the Sacco's were insensitive about financial and non-financial rewards. Employees of the Sacco's were untrustworthy due to lack of appropriate compensation policy. It was revealed by of the respondents that their Sacco's were not concerned with providing good working conditions ranging from health and safety with a mean of 2.08. It was indicated by of the respondents that their Sacco's did not encourage workers to enroll in job related courses for self-development with a mean of 2.04. This was perceived as a cost to management. Finally, it was revealed by of the respondents that their Sacco's did not benefit from a permanent and pensionable employment contract. This implied that employees were engaged on temporal basis and verbal agreement.

Table 2: Strategic Human Resource Development Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	Constant	1.139	1.2235		5.515	0.0133		
	X2	0.752	0.3425	0.154	3.424	0.0112	1.000	1.000

a. Dependent Variable: Performance of SACCOs in the Public Road Transport Sector in Kenya

As depicted in Table 2, regression coefficient of determination explained the extent to which changes in the dependent variable can be explained by the change in the independent variable or the percentage of variation in the dependent variable that is explained by the independent variable (Strategic Human Resource Management). At 95% confidence level and 5% significance level, the results indicated that the statistical significance value of Strategic Human Resource variable was less than the critical value of 0.05 and multicollinearity was non-existent in the model because the Variance Inflation Factor (VIF) was 1.00, indicating that a unit increase of Strategic Human Resource would lead to performance of Sacco's in the public road transport sector by a factor of 0.752. The findings concurred with Muogbo (2013) and Murimbika and Urban (2013) who established that there was a strong correlation between human resource development and performance of firms. The driver behind the success of any competitive organization operating in the turbulent business environment is the capability to invest in employee training.

Using financial and non-financial incentives in any organization always enhances employee morale and overall productivity. Top leadership should review compensation policies and support organizational development initiatives like employee training and change implementation. It was further revealed by Onyango (2012) that employees with job security were likely to perform better compared with employees engaged on contractual basis. Lelei (2015) on the other hand noted that strategic human resource development seems to be in practice by those firms and/or enterprises which consider their employees the most essential part of the organization. Organizations usually become unable to meet the desired objectives just due to the fact that at times of stiff competition, the moral of their employees is not as good as it is of their counterparts. The reason is quite clear to everyone that the employees of that firm are not having that level of potential or motivation which becomes due while operating at that level in the industry (Martindale, 2011).

Table 3: Environmental Analysis Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	Constant	1.139	1.2235		5.515	0.0133		
	X4	0.489	0.451	0.452	3.125	0.0110	1.000	1.000

a. Dependent Variable: Performance of SACCOs in the Public Road Transport Sector in Kenya

As illustrated in Table 3, the study sought to examine the extent to which environmental analysis influenced the dependent variable at 95% confidence level and 5% significance level. The results indicate that the statistical significance value of environmental analysis variable is less

than the critical value of 0.05 and multicollinearity is non-existent in the model because the Variance Inflation Factor (VIF) is 1.00, indicating that, a unit increase of environmental analysis would lead to performance of Sacco's in the public road transport sector by a factor of 0.489.

Table 4: Summary of Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	p-value
		B	Std. Error	Beta		
	(Constant)	1.139	1.2235		1.515	0.0133
	Strategic Human Resource Development	0.752	0.3425	0.154	3.424	0.0112

As shown in Table 4, the study concludes strategic human resource development has a significant positive effect on Performance of Public Road Transport Sector in Kenya. Holding other factors constant (1.139), a unit increase of strategic human resource development leads to an

increase in performance of Sacco’s in the public road transport sector in Kenya by magnitude of 0.752. As the rule of the thumb when; $t \geq 2$ and $p \leq 0.05$, the values are said to be statistically significant as shown in Table 4 where the t and p-values (t, p value) for strategic leadership are (3.424, 0.0112) respectively.

Table 5: Correlations Analysis with Moderating Variables

	Strategic Human Resource Development	Environmental Analysis
	1	
Strategic Human Resource Development	.390*	
	.003	
Environmental Analysis	.421*	.437**
	.021	.008
** Correlation is significant at the 0.01 level (2 tailed)		
*Correlation is significant at the 0.05 level (2 tailed)		

As shown in Table 5, the study sought to establish the moderating effect of the environmental analysis between strategic human resource developments on performance of Sacco’s in Public Road Transport Sector in Kenya. After analysis, it was established that environmental analysis as a moderating variable has a significant positive effect on the relationship between strategic human resource developments on performance of Sacco’s in the Public Road Transport Sector in Kenya. The level of significance changes from 95%

to 99% significance level test statistic. 390*, $p \leq 0.05$ and .437**, $p \text{ value} \leq 0.01$ meaning environmental analysis had an effect as the level of precision increased making the correlation more strong compared to when environmental analysis was not used. Therefore, it can be concluded that environmental analysis had a significant moderating effect between strategic human resource development on Performance of Sacco’s in the Public Road Transport Sector in Kenya.

Table 6: Model 1: Results of Logit Regression Analysis

Variable	β	Wald's X^2	Odd Ratio Exp (B)	P-Value
Strategic Human Resource Development	1.123	7.489	3.073	0.006
Constant	-18.221	37.080	0.000	0.000
Interaction Term (BP-PI-Cent)	-0.810	0.183	0.445	0.669
Observations (n)	178			
Nagelkerke R ²	0.281			
Cox & Snell's R ²	0.218			
Hosmer & Lameshow (8df)	0.825			
Dependent Variable (Performance of Sacco's in the Public Transport Sector in Kenya)				
Note: $p \leq 0.05$				

To test the null hypothesis that said there was no significant influence between strategic human resource development and performance of Sacco's in the Public Road Transport in Kenya, binary logistic regression model was used to predict the effects of performance of Sacco's in the Public Road Transport in Kenya as show in Table 4.6 where ($\beta=1.123$, Exp (B) =3.073 and $P < 0.05$). This results indicates that null hypothesis was rejected at 95% confidence level since predictor variable (Strategic Human Resource Development) had a significance value of 0.006 which is less than 0.05 and odd ratio (Exp (B= 3.073) value of more than 1 (Mertler & Vannatta, 2010). This implied that strategic human resource development influences performance of Sacco's in the Public Road Transport Sector in Kenya.The beta (β) value of 1.123 implies that a unit increase in Strategic Human Resource Development will lead to 1.123 times increase in the log-odds of

performance of Sacco's in the Public Road Transport Sector in Kenya. The odds ratio of 3.073 means that a unit increases in Strategic Human Resource Development will increase the likelihood of performance of Sacco's in the Public Road Transport Sector in Kenya.by 3.073 times. These findings are consistent with past research by Gavrea, Lieş, Stegorean (2011) and Gilaninia *et al.* (2015) which revealed that strategic planning, employee development and compensation policies are key determinants of any successful change process in any systems if organizations have clear human resource strategies such as career progression and talent development. Further, it was also established by Dauda, Akingbade and Akinlabi (2010) that employees do not resist any change but they resist to be changed. It is the responsibility of leaders to adopt contingency plans like training programs to overcome individual resistance when introducing new changes.

Table 7: Model 2: Logistic Regression Results for Moderation Effects

Variable	β	Wald's X^2	Odd Ratio Exp (B)	P-Value
Environmental Analysis.	0.810	0.183	0.005	0.001
Interaction Term (BP-PI-Centered)	0.732	24.209	2.079	0.000
Constant	3.015	21.949	20.381	0.000
Note: $p \leq 0.05$				

To test the null hypothesis that said there was no significant moderating effect of environment analysis on the relationship between strategic management practice and performance of Sacco's in the public road transport in Kenya, The results in Table 7 showed that ($\beta = 0.810$, Exp (B) = 0.005 and $P < 0.05$). This results indicated that the null hypothesis was rejected at 95% confidence level since moderating variable (environmental analysis) had a significant value of 0.001 which was less than 0.05 and odd ratio (exp (B) value of less than 1. This implied that issues of business environmental such as industry regulations, competition and economic factors had a positive moderating effect between strategic human resource development and performance of Sacco's in the Public Road Transport sector in Kenya. The findings were consistent with past study by Ofunya (2013); Aduda & Kingoo (2012); Afsal *et al.* (2013) whom that established that environmental analysis was necessary for any company operating in the 21st century. They argue that strategies formulated should be aligned with changing business environments.

Conclusion and Recommendations

The study established that there exist a significant positive relationship between strategic human resource development and performance of public road transport sector Sacco's in Kenya. However, was established by the study that most of the Sacco's in the public road transport sector were not embracing strategic human resource development practice such as human resource planning, staff appraisal, career progression and staff retention and development. Further, it emerged that rarely did Sacco's comply with labour laws when engaging employees. It was noted employee training was not an issue given the attention it deserved. It emerged that apart from the ordinary driving skills, majority workers of Sacco's were unskilled in customer services delivery. Inconsistencies in service delivery and non-compliance to set regulations were

associated with lack of formal trainings among workers. It was noted that some of the workers were not conversant with NTSA regulations and were not able to read the Acts that regulated the sector. The casual nature of the sector was as a result of engaging illiterate workers who were incapable of understanding the strategic direction of the Sacco's. In addition it was revealed that lack of clear compensation policies and lack of endorsement of labour laws by relevant authorities was a challenge that resulted to unethical behavior such as theft from commuters and dishonesty on financial matters. Poor working conditions and unsatisfactory wages were issues of concern that need to be addressed. Nevertheless, it was noted that despite the size of the public road transport sector in Kenya and its significant contribution to the economy, there was no formal institute that offered courses tailored to workers in the sector.

Conclusion

It was also established that most of the Sacco's in the Public Transport Sector in Kenya were less concerned with human resource development initiatives. Therefore, the study concludes that top leaders in public transport Sacco's should focus on developing human resource policies that clearly articulated the procedures of recruitment, motivation and development. Employee training should be encouraged to enhance creativity and innovation among Sacco's.

Recommendation

It was also established that issues of strategic human resource development among Sacco's in the Public Road Transport Sector in Kenya were not given the attention it deserves. For instance, development of human resource plans, compensation policies and career progression plans were not practices embraced by Sacco's. Therefore, this study recommends that all Sacco's operating in the public road transport sector should develop compensation policies and comply with labour laws of Kenya. The Government should intervene and ensure workers engaged by

Sacco's are assured of job security. Employee Training Needs Assessment should be conducted periodically to measure the competency of workers in performing duties. Sacco's should partner with well-wishers and relevant institutions like NTSA to provide necessary

trainings to its workers. It is therefore, recommended that the Government of Kenya through the Ministry of Transport should establish a formal institute that will provide professional courses among conductors, drivers and other service providers in the sector.

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