

**THE IMPACT OF HUMAN CAPITAL MANAGEMENT ON OPERATIONAL
PERFORMANCE AT THE GAMBIA NATIONAL WATER AND
ELECTRICITY COMPANY (NAWEC)**

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ABSTRACT

Despite the success of Human Capital Management (HCM) in research, it is not reflected in many Human Resource divisions of companies. Employees are the human capitals who contribute to the success and development of a company to a great extent. Thus, these days, companies do not see them only as factors of production from the classical perspective, but have started to value them as stakeholders and partners with whom long-term goals are achieved together. This study, therefore, sought to explore and understand the relationship between a selected bundle of Human Resource practices in the National Water and Electricity Company (NAWEC) that make up Human Capital and its usefulness on the operational performance of the Company. The type of research design for this study is exploratory and it relied on secondary information such as reviewing available literature and primary data. The researcher applied qualitative approach and used semi-structured interview which was personally conducted “face-to-face”. Elicited responses from both the questionnaires and the interviews point to the fact that HR practices such as employment security, selective hiring, self-managed teams, high compensation contingent on performance, training and information sharing when correctly managed would generate the desired results in terms of operational performance. After conducting research, acquiring empirical findings, and making analysis of data, the researcher suggests that there is a link between HCM and job performance. The study is of a great importance because being aware of the influence of certain HR practices, managers can better realize how these practices contribute to the performance of their employees, and find ways to improve them in order to increase workers’ job performance and productivity.

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DEDICATION

To Sarjo and Pa

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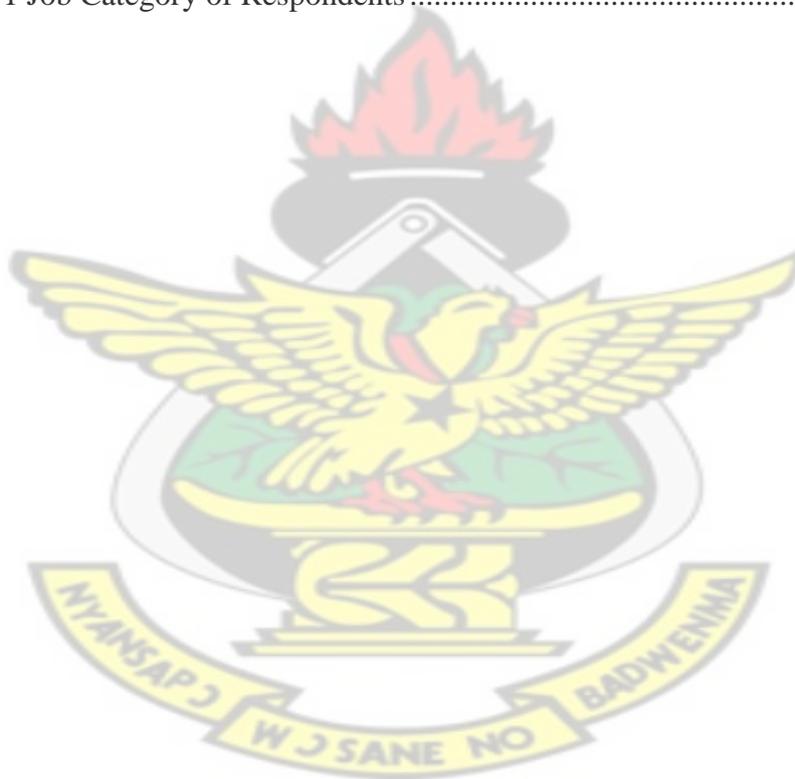
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LIST OF ABBREVIATIONS

CIPD	- Chartered Institute of Personnel Development
EMAR	- Employment Market Analysis and Research
HC	- Human Capital
HCM	- Human Capital Management
HR	- Human Resource
HRM	- Human Resource Management
NAWEC	- National Water and Electricity Company
R & D	- Research and Development
SPSS	- Statistical Package for Social Sciences
WERS	- Workplace Employment Relations Survey

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CHAPTER ONE

INTRODUCTION

1.0 Background of the study

Institutional reports and public out-cries had shown that most public institutions tend to persistently fail to deliver as expected. Therefore it has become more important than ever for such organizations to come up with multi-faceted strategies such as Human Capital Management (HCM) that seeks to strengthen employee engagement and create a commitment that goes further than the contractual employer/employee relation to enhance performance.

Human capital management, for the purpose of this study, is a bundle of Human Resource practices that provide HR professionals with the resources they need to shift from a reactive, task-oriented role to being a proactive strategic partner. A holistic HCM approach requires organizations to view talent acquisition, development, retention and employee engagement in a radically new way as a single entity rather than distinct parts. HCM is not about automating processes through the use of software. That is just clever marketing by software companies and HR professionals should know better.

During this new era in HCM, HR professionals will become catalysts for strategic change only when they understand the relationship and interconnectedness of the different components of HCM. As highlighted by Springer (2002) and cited by Marrewijk and Timmers (2003), HCM translates into organizational performance. The HCM practice in an organization will therefore significantly contribute towards the performance of that organization.

For the past 20years, electricity supply in The Gambia, have come under serious criticism as being ineffective and inefficient despite all the investments in the sector. The National Water and Electricity Company, (NAWEC) responsible for the generation, transmission and distribution of electricity in the Gambia, is a member of the West African Power Pool (WAPP) - a body created by *Decision A/DEC.5/12/99* during the 22nd Summit of the Authority of ECOWAS Heads of State and Government in order to address the issue of power supply deficiency within West Africa. The National Water and Electricity Company (NAWEC) has not been able to participate in WAPP's projects due to lack of relevant technical and institutional capability.

In October 2008, an organizational assessment was carried out by a German Consultant, to support the Human Resource and Administration Division of NAWEC. In this report the consultant noted the existing lack of both qualified staff and sense of responsibility among NAWEC staff met during the meetings and interviews held. The general observation during the assessment revealed an urgent need for a cultural adjustment with regard to staff development in order to enable them perform to expected standards. There was need also for adjustment in the institution and development of other people issues such as usage of working time, self confidence, responsibility and own initiative. This, the Consultant believed will greatly reduce and eventually eliminate negative work attitudes and practices that destroy the Company's assets, such as vehicles, transformers, tools and any other hardware necessary in running the business.

Analyzing the issues highlighted on this report, the main finding was the need for a more strategic Human Resource Division that can align its activities with the corporate strategic objectives of the Company. It is in this light, and as a follow up study to the findings of the report, that this research investigated and ascertained the extent to which

the Human Capital of this Company can transform the current dwindling trend of performance if properly managed. This meant identifying the relevant Human Resource Practices that translated into employee total commitment which in turn impacted positively on organizational performance.

NAWEC had depended on ad-hoc measures in planning for Human Resource requirements. The 2008 assessment report narrowed the Human Resource division as mainly focused on traditional practices of personnel administration and not as strategic business partner necessary for the organizational performance improvement. The study will therefore help NAWEC develop a more strategic and modern approach to the management of people and their attributes that translate to the sustainable improvement of the Company's overall performance in terms of higher profits, lower operating costs, and lower turnover.

1.1 Problem statement

The relationship between Human Capital Management and performance in the Public Utility Sector has never been denied, but empirical evidence for this link is inadequate as far as NAWEC is concerned. The growing consistency of the Company's inefficiency, marked by high operational costs, low productivity, generated power losses and inadequate and unaffordable power supply, is contrary to the Company's mission statement which states "To ensure the safe, effective and efficient provision of affordable nationwide electricity, water and sewerage services to satisfy customer requirements, generate reasonable rates of return on investment and contribute to the socio-economic development of The Gambia."

Therefore, in order that the mission statement is realized, there is an urgent need to identify the factors responsible for this undesirable business performance and a solution to the problem.

1.2 Objectives of the study

The objectives of the study are grouped into two. These are general objective and specific objectives.

1.2.1 General objective

The general objective is to explore and understand the relationship between a selected bundle of Human Resource practices that make up Human Capital Management (HCM) and its impact on the operational performance of the Company.

1.2.2 Specific objectives

- a) To identify the relevant bundle of HR practices that make up HCM in NAWEC
- b) To examine the mediating and moderating roles of felt obligation and employee commitment in NAWEC.
- c) To ascertain how positive work attitudes and employee behaviour translate to individual and organizational performance in NAWEC.
- d) To explore the benefits of employee involvement in decision making in NAWEC.
- e) To recommend to NAWEC Management, the HR bundle that constitutes HCM for improved productivity in NAWEC.

1.3 Research questions

- a) What bundle of HR practices make up Human Capital Management in NAWEC?
- b) What mediating and moderating roles does felt obligation and employee commitment play in NAWEC?
- c) How does positive work attitudes and employee behaviour translate into individual and organizational performance in NAWEC?
- d) To what extent can employees be involved in decision making in NAWEC?
- e) What HR bundle, that constitutes HCM, can be recommended to NAWEC Management for improved productivity in NAWEC?

1.4 Significance of the study

The purpose of this research is to examine the impact of human capital management on organizational performance in NAWEC. It also explores the moderating effects of manpower planning commitment, continuous human resource development, and engagement following an assessment of the Company in 2008, by a German Consultant who identified the missing link in achieving its full potential as the lack of skill development and shortage of adequately qualified staff. This fact is attested to by NAWEC's inability to participate in regional programmes with the West African Power Pool (WAPP). According to the energy exchange chart provided by WAPP Secretariat, The Gambia Electricity Company is not participating due to its technical and institutional incapability. The significance of this study which will help build NAWEC's capability and capacity to deliver on its strategic and operational mandate cannot be overemphasized. It is expected that the study will inform the Management of NAWEC that to reduce operational losses and increase productivity, there is the need to

effectively manage its human capital. It is also to help develop and maintain a quality work life, which will provide an opportunity for employees' self-actualization and commitment. Finally, the recommendations from this study will aid NAWEC Management to significantly improve their operations and become a more efficient public enterprise through a more strategic management of the human capital.

1.5 Brief Methodology

The philosophy behind this thesis was exploratory as the research sought to explore what prevailed in NAWEC in terms of Human Capital Management. The researcher used the inductive approach to generate the underlying model and theories. Qualitative data were collected through questionnaires and semi-structured interviews of NAWEC Staff to develop a theory which can be further researched into for its theoretical generalization. The collected primary data were analyzed using Statistical Package for Social Sciences and presented using excel generated tables and figures while the literature review was mainly from secondary sources such as books, journals, conference papers, both hard and soft copies.

1.6 Scope of the study

The study is limited to NAWEC's performance in terms of operational losses which is a major current bottleneck and how human capital management can significantly improve this situation. Secondly, as a follow up study to the fore mentioned report on NAWEC's HR division, this study was limited to identifying the components of HCM that impacted employee behaviours and work attitudes, which in turn translated into organizational performance. Indeed human capital management embodies all HR practices but this study did not treat those components distinctly. In fact only those HR

activities that constitute high performance such as turnover intention, selective hiring, extensive training, learning and development, employee involvement and information sharing, team working, high compensation contingent on performance and reduced status distinctions between managers and workers, was used to measure employee commitment and felt obligation towards the company. The study will cover all divisions, sections, units and staff of the Company.

1.7 Limitations of the study

Data collection was somehow impeded by some ethical issues that could not be stated for security reasons. Also due to some fear of reprimand, there was a lot of indifference and apprehension on the part of interviewees and respondents as most of the employees felt very uncomfortable to speak out on the subject matter of the study. The absence or inaccessibility of reliable records and reports on NAWEC activities within the past five years also limited the research investigation.

1.8 Organization of the study

The study is organized into five chapters. Chapter one gives a general background and an introduction on the research problem, objectives, research questions, scope, limitations and the plan of the study.

Chapter Two dealt with the review of relevant literature pertaining to the research problems and concepts particularly as they apply to The National Water and Electricity Company, (NAWEC). The benefits and moderating effects of human capital management was also looked into.

Chapter Three explains the research methodology used for collecting, coding and analyzing the primary data. It also explains why and how the data is analyzed to achieve the objectives of the study.

Chapter Four is a discussion of the results of the questionnaires distributed and the interviews held and how these responses have answered the research questions and achieved the research objectives to effectively address the research problem.

Chapter Five focuses on the research findings, conclusions drawn and recommendations to the Management of NAWEC to reduce operational losses and improve efficiency through an effective Human Capital Management.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In Human Resource Management literature, the term Human Capital Management (HCM) is rarely explicitly defined. Researchers have taken different focuses when they refer to Human Capital Management. Most researches have focused on the role of HCM in enhancing performance. Stiles et al (2011) posited that there is a large and growing body of evidence that demonstrates a positive linkage between the development of human capital and organizational performance. This emphasis on human capital in organizations reflects recent views that market value depends less on tangible resources, but rather on intangible ones, particularly human resources. Recruiting and retaining the best employees, however, is only part of the equation. The organization also has to leverage the skills and capabilities of its employees by encouraging individual and organizational learning and creating a supportive environment where knowledge can be created, shared and applied.

Human Capital Management (HCM) is critical in order to create a high-performing work environment. Companies need to manage their Human Capital through all the phases of an employee's work life - from recruitment to development to retention. HCM involves getting the right people, with the right skills, in the right position, at the right time, rewarding them with the right incentives to perform the right function in the right environment, to most effectively perform the work of the organization. It also involves developing the Human Capital and improving productivity. It is to maximize the organization's Human Capital (i.e. the accumulation of all the individual Human

Capital in the organization). Strategic HCM is the transformation of how we employ, deploy, develop and evaluate the workforce. It focuses on results, not processes.

The term Human Capital (HC) was first used by Nobel Laureate, Theodore W. Schultz, in the 1961 American Economic Review Article, 'Investment in HC.' The term is now most frequently used to refer to a combination of skills, experience and knowledge. HC is an all-encompassing term for "the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances." HC makes an individual potentially productive and thus equips him or her to earn income in exchange for labour.

2.1 The Development of Human Capital Management

In 1979, Flamholtz researched how Certified Accountants react with given human resource value number and found that they decide differently if they have these numbers or not. During that period many different models for human resource accounting were published. In the early 1970's a different group of managers appeared and their concerns in employees and their feelings affected all aspects of business life (Losey, 1998). This group of managers underlined the importance of the relationship between employers and employees. They came up with latest reports associated with greater productivity to management philosophies that supported employee ideas and initiatives.

Around 1980 there was a declining interest in Human Capital Management. The main reason was that basic research about HCM and other related models has been completed. Needed examinations were complex and could be done by a few scholars

only and needed participation of organizations to make an applied research study. Costs for that were high, benefits were uncertain and not necessarily profitable for the sponsoring company. Only a few reports were published. 'It was at this point that Human Resource Accounting seemed to have been an idea that was promising but that would not be developed much further' (Flamholtz et al, 2002, p.951).

The shift from an industrial based economy to a knowledge based economy leads to an increasing emphasis on human capital. As a result of this, international interest in Human Capital management came up again, when interactions between theory and application were made.

Realizing an effective Human Capital Management strategy and turning into knowledge based company is seen as a compulsory term of success for firms. The intention of managing a firm's human capital is to increase and improve the profits for the company (Bose, 2004). This indicates that the organization is able to measure the principal investment in human capital. Measuring the company's benefits of Human Capital Accounting is at this time rather complicated. Human Capital Management systems must reveal their value. Without this assessable success, interest and cooperation for Human Capital Management is not likely to be sustainable.

In the early 1990s employees were regarded as 'cogs in the industrial machine', but 'many of the highly skilled knowledge workers of today actually control the machines, carrying the power and ability to make decisions to satisfy customer needs' (Losey, 1998,p.9). The value of employees grew and the importance to know about that value got more significant for the firms. Shyness about treating workforce as assets has been reduced in this century, in particular in the past 25years (Odiorne, 1984). Odiorne gave two reasons for that; first is that highly paid people such as engineers, accountants,

scientists and lawyers seldom feel they are oppressed and are not usually insulted if they are regarded as assets. Secondly, when such people are treated as assets, they are to discuss the relationship of their value to the return they gain from their skills.

Today, organizations have several tactics when it comes to use and benefit from human capital. New methods are frequently developing, but also been queried critically. In these days firms have to take note that the work environment ensures the best outcomes of their human capital. Organizations have to evaluate the value that is generated by the employees to be able to find out how successfully they use their knowledge and skills. However it seems that in academic research, Human Capital Management changed a lot and in different dimensions but in practice in the firms, it is yet to be understood by its users. Recent surveys has showed that many Human Resource Managers have not attempted to understand the usefulness or how Human Capital Management can be used in their firms successfully (Huselid, Becker and Beatty, 2005).

2.2 Definition of Concepts

2.2.1 Human Capital Management

For the purpose of this study, Human Capital Management is sometimes interchanged for high Performance HR practices. Bassi, (2012) an expert on the Decision Sciences, defined Human Capital Management as ‘the processes and practices within an organization that align the management and development of employees with its business results’. Crook et al, (2011) also defined Human Capital Management as ‘the stock of competencies, knowledge and personality attributes embodied in the ability to perform labour so as to produce economic value’ Coughlan, (2001) defined Human Capital Management as ‘the sum of knowledge, skills, experience and other relevant

workforce attributes that reside in an organization's workforce and drive productivity, performance and the achievement of strategic goals'. Baron and Armstrong, (2007) defined Human capital management as 'a strategic approach to people management that focuses on the knowledge, skills, abilities and capacity to develop and innovate, possessed by people in an organization'. In an attempt to explain the meaning of Human Capital Management, Avninder, (2009) states that 'HCM today is adequately managing every facet of talent and labour which requires a detailed examination of all segments of the workforce against every area of operational detail'.

Other researchers such as Stiles et al, (2011) on another level of definition presents Human Capital Management (HCM), as concerned with obtaining, analyzing and reporting on data that inform the direction of value adding strategic investment and operational people management decisions at corporate level and at the level of frontline management. It is, as emphasized by Baron and Armstrong (2007) ultimately about value. In this case, the defining characteristic of HCM is the use of metrics to guide an approach to managing people that regards them as assets and emphasizes that competitive advantage is achieved by strategic investments in those assets through employee engagement and retention, talent management and learning and development programmes. Human Capital Management provides a bridge between Human Resource and business strategy.

Human Capital Management is sometimes defined more broadly without the emphasis on measurement. Spellman (1992) states that 'Human Capital Management is an integrated effort to manage and develop human capabilities to achieve significantly

higher levels of performance.’ According to Baron and Armstrong (2007), the three fundamental objectives of Human Capital Management are to:

- a) Demonstrate that HR practices produce value for money in terms, for example, of return on investment. (ROI)
- b) Provide guidance of future HR and business strategies
- c) Provide diagnostic and predictive data that will inform strategies and practices designed to improve the effectiveness of people management in the organization.

2.2.2 Human Resource Bundles

Several researches have sought to establish a link between human resources and performance, some of which rely on the single measures of HR practices. Bartel (1994) cited in Stiles (2011) establishes a link between the adoption of training programmes and productivity growth. The adoption of training programmes has also been linked to financial performance (Russell et al., 1985), and Gerhart and Milkovich (1990) and Weitzman and Kruse (1990) identify the links between incentive compensation schemes and productivity. Terpstra and Rozell (1993) examine the extensiveness of recruitment, selection test validation and the use of formal selection procedures and find the positive connectivity between organisational profits and selectivity in staffing, thereby leading to a greater extent of organisational performance (Becker and Huselid, 1992; Schmidt et al., 1979). Performance evaluation on the linkage to compensation schemes has also contributed to an increase in the firm’s profitability.

However, such reliance on single HR practice may not reveal an accurate picture. The dominant view of human resource efficacy is that individual human resource practices

'have the limited ability to generate competitive advantage in isolation but in combination, they can enable a firm to realize its full competitive advantage' (Barney, 1995: 56). In other words, relying on the single HR practice with which to predict performance is unlikely to be revealing.

It should be clear from the previous section that there are often links between these high commitment HR practices. For example, workers are more likely to welcome employee involvement and information sharing if they have employment security and their workplace is relatively status-free. Equally, they are more likely to show an interest in team working if their efforts are rewarded with performance-related incentives, share ownership and access to training opportunities. Similarly, if sufficient care has been taken at the recruitment and selection stage, new recruits are more likely to adopt flexible working practices and welcome team working as well as be striving for internal promotion in the future. In isolation, or without the support of a strong organizational culture, each of these practices can easily be dismissed as nothing more than a short-term fad or fashion. Conversely the more that HR practices form a coherent and synergistic bundle of related practices, it is argued, organizations are more likely to enjoy success due to the fact that the high commitment paradigm is more deeply embedded into the culture of the workplace. Benson and Lawler (2003) note that research at the work unit level confirms the importance of viewing practices as complementary and that the high commitment model, in general, out-performed more traditional control oriented work systems despite the fact that the exact combination of practices is uncertain and may be industry specific.

There is certainly a theoretical support for the notion that HR practices should operate more effectively when combined together. For example, it could be argued that

extensive training is essential for self-managed teams to run effectively, or that higher than average rewards are likely to have a positive impact on numbers of applications for jobs. An employer may feel more inclined to promise employment security if selective hiring has taken place, self-managed teams are extensive throughout the organization, and rewards are contingent upon performance. Wood and de Menezes (1998) find an 'identifiable pattern to the use of high commitment HR practices' and confirm that they are being used in conjunction with each other. Similarly, despite finding a low take-up of the high commitment model across his sample of Irish workplaces, Roche (1999) notes that 'organizations with a relatively high degree of integration of human resource strategy into business strategy are very much more likely to adopt commitment oriented bundles of human resource practices'. Guest (1997) categorises previous attempts to examine internal fit across HR practices into three distinct groups. First, there are criterion specific studies, such as that by Pfeffer, which outlines a number of 'best practices' and suggests that the closer organizations get to this list the better their performance is likely to be.

The danger with such universalistic approaches is that they ignore potentially significant differences between organizations, sectors and countries, and posit a particular model, in this case, the US model as the one to be followed. With this approach, the principal job is to detect the bundle that seems to work and then get all organizations to apply this without deviation. Second, there are two sets of criterion free categories, 'fit as gestalt' and 'fit as bundles'. In the case of the former, it is assumed that the synergies are achievable only with the adoption of all these practices, and that if one is missing the whole effect will be lost. These approaches are termed 'multiplicative', and it is assumed that the whole is greater than the sum of its parts. In

this scenario, an organization that adopted a majority of the practices would be no better off than the one that adopted none of them because the chain tying together the different elements of HRM would be broken.

By contrast, bundles are ‘additive’. Generally speaking, the more practices that are in place the better, so long as some distinctive core exists. In other words, it may be possible to adopt a large number of high commitment HR practices and ignore others, but still gain from the interactive effects of those that are in place. Questions then arise as to how many practices are needed to make a difference, from what areas of HRM these are to be drawn and whether certain practices are fundamental to make the synergies work.

2.2.3 Universal or ‘best practice’ approaches to HR bundles

One major perspective on human resources and performance linkages is the idea of ‘best practices’, or ‘high performance work practices.’ This view emphasises the need for strong consistency among HR practices (internal fit) in order to achieve effective performance. It receives a high degree of empirical support (Huselid, 1995; Delaney and Huselid, 1996; Arthur, 1994; Ichniowski et al., 1997; MacDuffie, 1995). Pioneered by the prominent researcher Pfeffer (1994), cited in Stiles (2011) there are 15 HR practices that have primarily been subsumed. Later in Pfeffer’s work (1998), a set of 7 HR practices is revealed: employment security/ turnover intention, selective hiring, self-managed teams, high compensation contingent on performance, training, reduction of status differentials, and sharing information.

Arthur (1992, 1994) reports that the HR practices focusing on enhancing employee commitment (e.g. decentralised decision-making, comprehensive training, salaried

compensation, employee participation) are related to higher performance. Conversely, he finds that the HR practices focusing on control, efficiency and the reduction of employee skills and discretion are associated with increased turnover and poorer manufacturing performance. Similarly, in a study of the high performance work practices, Huselid (1995) points to the fact that investments in HR activities, such as incentive compensation, selective staffing techniques and employee participation, result in lower turnover, greater productivity and increased organizational performance through their impact on employee skill development and motivation.

In sum, the more the high performance HRM practices are used, the better the performance as indicated by productivity, turnover and financial soundness is yielded. Although different types of the fit approaches are compared, the bottom line of the results seems to be invariable with the strongest research support.

2.2.4 HR practices for developing human capital and performance

The high performance management, or high performance work practices, has become an important field in management of people. A number of the scholars have studied the depth and breadth of the HR practices, particularly in association with performance. High commitment management aims to go beyond high performance management to include an ideological component - the identification of the employee with the goals and values of the firm, so inducing commitment (Walton, 1985).

The study of Guest et al (2004), cited by Marchington and Wilkinson (2005) for the Institute of Personnel and Development (CIPD), surveying 835 organisations in the UK, endorses that there is a strong link between HRM and performance, but that this link is

indirect, through the apparent impact on employee commitment, quality and flexibility. Patterson et al. (1997) cited in Stiles (2011) identify a positive relationship between employee attitudes, organizational culture, HRM and company performance, and conclude that employee commitment and a satisfied workforce are essential to improving performance. Two highly significant areas of HR practices are seen as the acquisition and development of employee skills (recruitment, selection, induction and performance appraisals), and job design (skill flexibility, job responsibility, team-working).

2.3 Components of Human Capital Management

The following are the key components of Human Capital Management

2.3.1 Turnover Intention

Social exchange theory (Blau, 1964) and organizational support theory (Eisenberger et al, 1986) suggest that employees who receive high levels of support from the organization are inclined to repay the organization by their commitment to stay and work for the organization. One essential way to reciprocate the organization's favourable treatment is through continued participation (Allen et al, 2003 and Wayne et al, 1997). Other research works on the rewards and recognition of employee contributions, also indicate that employees who receive more support as part of the inducements offered by the organization, would have less desire to leave the organization.

2.3.2 Selective Hiring

Increasingly, employers are looking for applicants who possess a range of social interpersonal and team working skills in addition to technical ability. Sought trainability

and commitment, “In a growing number of situations, it would appear that employer feel that they can provide technical training for people so long as they have the ‘right’ social skills, attitudes and commitment (Sturdy et al 2001: Callaghan and Thompson, 2002; Marchington et al 2003) For example, attracting a large number of applicants for a position may indicate poor HR procedures due to failures to define the job adequately prior to advertising. Competencies to be sought at the selection stage include trainability, flexibility, commitment, drive and persistence and initiative. The key point about ‘best practice’ selection is that it should be integrated and systematic, making use of the techniques which are appropriate for the position and the organization, and administered by individuals who have themselves been trained.

2.3.3 Extensive Training, Learning and Development

Having recruited ‘outstanding human talent’, employers need to ensure that these people remain at the forefront of their field, not only in terms of professional expertise and product knowledge but also through working in teams or in interpersonal relations’. The use of the word ‘Learning’ is crucial as it demonstrated employer willingness to encourage and facilitate employee development rather than just providing specific training to cover short-term crises’. Quite a number of the studies have looked solely at the financial or quantitative aspects in terms of money or time invested in training and ignored the quality or relevance of training and learning that is provided. It is now widely acknowledged that most workers are overqualified for the jobs they do (Grugulis 2003) and as such extra training may add little to organizational performance or worker skills. Therefore the quality of training, both in terms of its focus and delivery, is clearly more important than a simple count of the amount provided.

2.3.4 Employee Involvement and Information Sharing

First, open communication about financial performance, strategy and operational matters not only ensures workers are informed about organizational issues, it also conveys a symbolic and substantive message that they are to be trusted and treated in an open and positive manner. Second, for team working and to be successful, workers require information in order to provide a basis from which to offer their suggestions and contribution to improvements in organizational performance.

2.3.5 Self Managed Teams/Teamworking

Team working has been identified by many employers as a fundamental component of organizational success (Marchington 1999). 'Evidence suggests that employees who work in teams generally report higher levels of satisfaction than their counterparts working under more traditional regimes, although they also report working hard as well'. Researches in the past suggests that self-managed teams produce a form of control more powerful, less apparent and more difficult to resist than that of the former bureaucracy because it shifts the locus of control from management to workers.

2.3.6 High compensation contingent on Performance

Rewards should reflect different levels of worker contribution, perhaps being paid as a regular bonus or through profit sharing schemes. Despite the extensive criticisms of performance-related pay, it is included in most lists of 'best practice', particularly those conducted in the United States of America. Rewards should not be restricted to pay alone and it can then relate to employee contributions to organizational performance, whether on an individual, department or establishment-wide basis.

2.3.7 Reduction of Status differences/harmonization

The principal point behind moves to single status and harmonization is that it seeks to breakdown artificial barriers between different groups of staff, thus encouraging and supporting team working and flexibility. Different surveys vary in their reports but the conclusion is that Human Resource practices are not embedded in a majority of work places especially in the public sector. A few have put in place coherent range of practices considered or associated with improved higher performance.

2.4 Effectiveness of Human Capital Management

A number of researchers have found a positive impact of HRM on organizational performance. For instance, Becker and Gerhart (1996) and Becker and Huselid (1998), empirical studies found that firms which align their HRM practices with their business strategy will achieve superior outcomes. MacDuffie (1995) studies worldwide auto assembly plants found that some HRM practices are related to productivity and quality of the firm. Delery and Doty (1996) found significant relationships between HRM practices and accounting profits among banks. Youndt et al (1996) found that certain combinations of HRM practices are related to operational performance of manufacturing firms. Guthrie (2001) surveyed in New Zealand corporations found that HRM practices are related to turnover and profitability of the corporations. More recent empirical study on HRM practices (Lee and Lee, 2007) uncovered six underlying HRM practices on business performance, namely training and development, teamwork, compensation/incentives, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility.

Using data from 197 Taiwanese high-tech firms Chang and Chen (2002) conducted a comprehensive study to evaluate the links between HRM practices and firm performance. This study reveals that HRM practices including training and development, teamwork, benefits, human resource planning, and performance appraisal have significant effect on employee productivity.

Analyzing the link between HRM and performance is now a major area of interest for research and policy. The results from the survey by Patterson et al (1997) published by the Institute of Personnel and Development (now CIPD) were quoted widely by the media and put forward as evidence for the importance of HRM as a driver of and contributor to, improved performance.

Even if organizations employ a wide range of HR practices, this does not mean that they are applied effectively or that they have any impact on workers or managers. For example, while it is important to know whether or not an employer makes use of regular appraisal or provides information about performance targets, this gives us no clues as to whether the appraisals make any difference or the information is supplied in meaningful and timely fashion. This is why measures of effectiveness are so useful. In CIBD survey (Guest et al 2000b), managing directors and HR professionals were asked to assess the effectiveness of each practice area, and in most cases they were judged to be either slightly or highly effective. It was seen that there were relatively small differences between the respondents, with the HR professionals being slightly more circumspect about the effectiveness of the practices. The most positive response were in relation to employment security, which is strange bearing in mind the fact that over half of the sample have made compulsory redundancies during the last three years. The HR

practices deemed to be least effective were those related to financial flexibility, job design and appraisal, and it is notable that the HR professionals felt they were less effective (Guest et al 2000b). The HR effectiveness – both of the practices themselves and the personnel department, increases the strength of the relationship between HR and performance, again because of its impact on employee commitment, contribution and flexibility (Guest et al 2000b). In short, the HR practices that are used, and the more effectively they appear to be used, enhances organizational performance.

2.5 Human Capital Management and Operational Performance

The link between human capital and performance is based on two theoretical strands. The first, as we have discussed, is the resource-based view of the firm. The second is the expectancy theory of motivation which is composed of three elements: the valence or value attached to rewards, the instrumentality, or the belief that the employee will receive the reward upon reaching a certain level of performance, and the expectancy, the belief that the employee can actually achieve the performance level required. (Marchington and Wilkinson, 2005). HRM practices that encourage high skills and abilities - e.g. careful selection and high investment in training - can be specified to make the link between human capital management and performance.

The work of Ho et al. (2001) cited in Chen et al (2010) established that there exists a positive link between human resource practices and product quality which goes further to affect customer satisfaction and profitability. It is therefore inferred from the findings that human resources practices can lead to operational efficiency which in turn bring quality products.

Analyzing the links between high commitment HRM and performance is now a major area of interest for research and policy. Originally, this stemmed from work in the USA, but there have now been several studies in the UK, most notably by David Guest and his colleagues. Before reviewing some of this work in more detail, it is worth reminding readers of some of the earlier studies that claimed to establish a link between HRM and performance. Huselid, (1995) drew his conclusions from a survey of nearly 1000 US organizations. He divided high commitment work practices into two broad groupings: employee skills and organizational structures, and employee motivation. The former included items concerned with the proportion of workers taking part in attitude surveys, the number of hours training received in the previous year and the proportion of workers required taking an employment test as part of the selection process. The latter included items such as the proportion of workforce with performance appraisals linked to compensation and the number of applicants for those posts where recruitment took place most frequently. Output measures included labour turnover, productivity and corporate financial performance. Huselid, (p. 667) concludes that “the magnitude of the returns for investments in what he calls high performance work practices is substantial. A one percent standard deviation increase in such practices is associated with a 7.05 % decrease in labour turnover and, on a per employee basis, 27,044 US dollars more in sales and 18,641 US dollars and 3,814 US dollars more in market value and profit respectively”.

The results from the survey by Patterson et al (1997) published by the Institute of personnel and development (Now CIBD), were coated widely by the media and put forward as evidence for the importance of HRM as driver of, and contributor to, improved performance. The research was based on longitudinal studies of 37 UK

manufacturing companies that were predominantly single side and single product operations. It has been claimed on the basis of this research- that HRM had a greater impact on productivity and profit than a range of other factors including strategy, R&D and quality. For example, it was argued that 17 % of the variation in the company profitability could be explained by HRM practices and job design, as opposed to just 8 percent from research and development, 2 percent from strategy and 1 percent from both quality and technology. Similar results were indicated for productivity. Below we examine in more details four of the studies undertaken in the UK by Guest et al (2000a, 2000b), West et al (2002), Guest et al (2003) and Purcell (2003) and withdraw on some in-depth reviews of the HRM- performance link. Some of the best known studies are outlined in the table 1. On the basis of the study some forceful claims have been made about the impact of HCM sometimes referred to as high commitment HR and performance. Two CIPD reports (2001a, 2001b) argue that the economic and business case for good management has now been proven. The CIPD report (2001a, p4) notes that ‘more than 30 studies carried out in the UK and the US since the early 1990s leave no room to doubt that there is correlation between people management and business performance, that the relationship is positive, and that it is emulative’.

Since it is argued, senior personnel practitioners now agree that the case for HCM impacting on operational performance is not in dispute, the key question is how to make it happen. From US perspective, Pfeffer (1998, p306) agrees that best practice HRM has the potential to have a positive impact on all organizations, irrespective of sector, size or country. Organizations only need leaders possessing both insight and courage to generate the large economic returns that are available from high commitment HRM. Many of the studies have been focused on manufacturing but Batt and Doellgast (2003,

p306) also suggest that a growing number of studies show collaborative forms of work organizations that predict better performance in the service sector’.

Table 2.1 Some of the major studies examining links between HCM and performance

Empirical studies	Sample	Nature of study
Huselid (1995)	USA: 968 US-owned firms with more than 100 employees	Cross-sectional study
MacDuffie (1995)	USA: 62 automotive plants	Cross-sectional study
Delery and Doty (1996)	USA: 114 banks	Cross-sectional study
Patterson et al (1997)	UK: 67 manufacturing firms employing less than 1000	Longitudinal study
Wood and de Menezes (1998)	UK: use of data from WERS (1990) and Employers’ Manpower and Skills Survey – approx. 2000 workplaces with More than 25 employees, all sectors	Cross-sectional study
Guest et al (2000a)	UK: use of data from WERS (1998) Approx 2000 workplaces with more than 25 employees, all sectors	Cross-sectional study
West et al (2002)	UK: 61 NHS acute hospital trusts, interviews and questionnaires mainly With HR Directors	Cross-sectional study
Guest et al (2003)	UK: 610 private sector companies both From services and manufacturing, Telephone interviews with Head of HR	Longitudinal study
Review articles	Source	
Wright and Gardner (2003)	Holman et al (eds), The New Workplace: A guide to the human impact of modern working practices. London, Wiley	
Godard (2004)	British Journal of Industrial Relations, Vol. 42, No. 2	

Source: *Marchington M., and Wilkinson Adrian. Human Resource Management at Work: People Management and Development, 2005, CIPD London, 3rd edition.*

2.6 Conceptual Framework: HCM link with Operational Performance

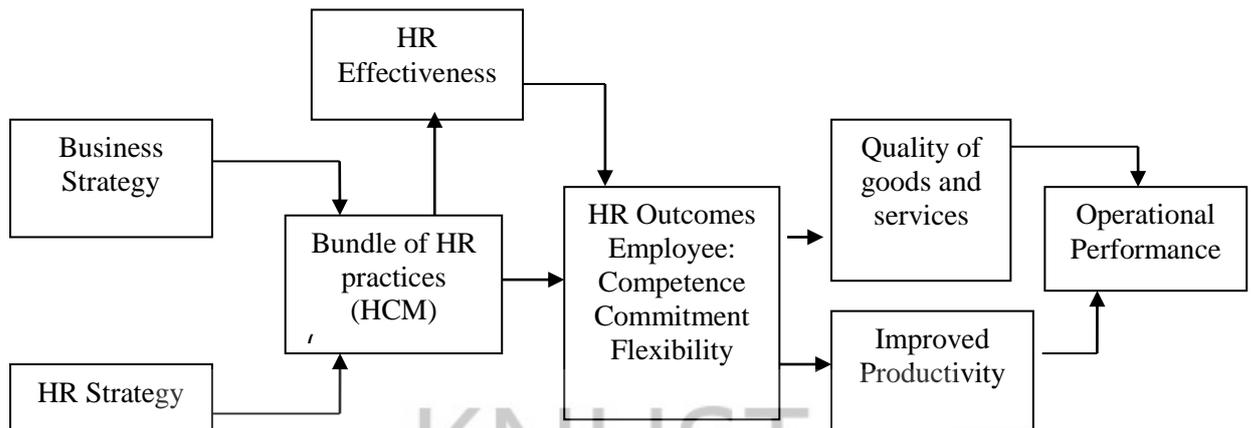


Figure 2.1 Model of link between HCM and operational performance

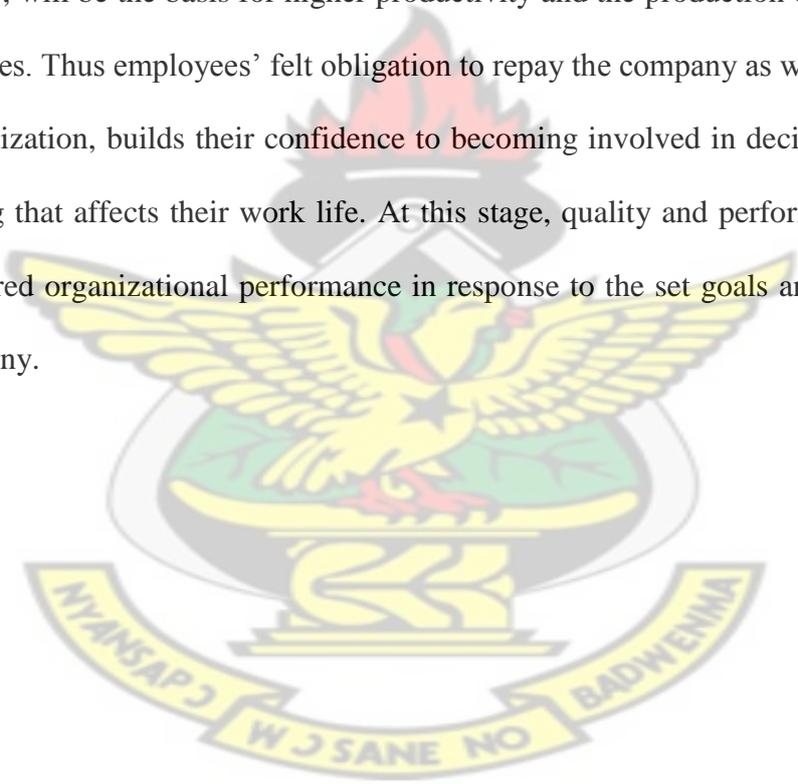
Source: (Adapted from Guest et al, Effective People Management: Initial findings of the Future of Work study. London, CIPD. 2000b. p5 and cited in Marchington M., and Wilkinson Adrian. Human Resource Management at Work: People Management and Development, 2005, CIPD London, 3rd edition).

This conceptual framework broadly proposes a path model linking together business and HR strategies on the left hand side of the diagram, with performance outcomes on the right hand side. These include indicators such as financial performance, quality of goods and services provided and higher productivity, as well as employee outcomes in terms of competence, commitment and flexibility. The overall framework is glued together by a selected bundle of HR practices covering all the usual areas of Human Resource Management, as well as by the effectiveness of the Human Resource function.

The selected bundle of HR practices include turnover intention, selective hiring, extensive training, learning and development, employee involvement and information sharing, team-working, high compensation contingent on performance, reduction of status differences. The inclusion of a factor assessing effectiveness is particularly

important because this allows us to evaluate how well the practices are working in addition to whether or not they are present.

For an effective HR function, the HR strategy must be in line with the business strategy (goal congruence). Specifically for the purpose of this study, the selected bundle of HR practices (HCM) recommended to NAWEC is expected to yield the desired effectiveness of the HR function and consequentially, employee competence, commitment and flexibility. These HR outcomes (positive work attitudes and behaviors), will be the basis for higher productivity and the production of quality goods and services. Thus employees' felt obligation to repay the company as well as achieving self actualization, builds their confidence to becoming involved in decision making on everything that affects their work life. At this stage, quality and performance can only yield desired organizational performance in response to the set goals and objectives of the company.



CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.0 Introduction

This chapter is a description of the research methodology that guided the study. It outlines the procedure for data collection, the measures for the variables in the conceptual framework and the analytical techniques used. The data collection stage is important since the result of the analysis is dependent on the quality of the data obtained. Therefore, the method selected for data collection must be the most appropriate to assist in achieving the objectives of the study.

3.1 Sources of data

The main sources of data were primary and secondary. The primary data constituted results from the questionnaires and face-to-face interviews as well as observation by the researcher. The secondary data were provided by the Human Resource and Administration Division of the company.

3.1.1 Primary data

Primary data was collected from a random sample of all categories of NAWEC permanent staff. The collection of primary data was through face-to-face semi-structured interviews with some key and top Management staff of the company. Questionnaires were also distributed to other categories of staff who were supervisors, officers and clerks of the organization across the company to get a holistic view and understanding of the staff on the selected bundle of HR practices expected to impact their behaviours and in turn, performance.

3.1.2 Secondary data

Secondary data were provided from the Company records by the Human Resources Department and from various publications from the internet, textbooks, journals, reports and articles prepared by various universities. They were scrutinized to assess their suitability, reliability, adequacy and accuracy.

3.2 Population

The study population is the entire permanent staff of NAWEC from which the sample was selected. The total number of permanent staff is 1546 people. This figure comprises the following four categories of staff as indicated below;

Table 3.1 Staffing situation

Management Staff	14 people
Senior Staff – administrative and technical	116 people
Junior Staff – administrative and technical	417 people
Support Staff	999 people
Total Staff	1546 people

Source: NAWEC payroll data, Nov. 2012

3.3 Sampling Techniques

This study is an embedded single case, so the research covered the entire Company under study (NAWEC). The sample size of 155 participants is 10% of the total population. (NAWEC staff payroll data; Nov. 2012). This sample size was chosen taking cognisance of the recommended ideal sample by research methodology experts such as Nwana (1992) and Saunders (1990). They considered an ideal sample to be as follows; that if the size of the population is a few hundreds, a minimum of 40% will do.

If several hundreds, a minimum of 20% is acceptable; if few thousands, a minimum of 10% is acceptable and if several thousands, 5% will do. The population in this case can be classified as several hundreds but because the research is purposive in nature, stratified sampling was also used, thus the use of 10% of the population as sample size. In this case study, the semi-structured interviews were conducted face-to-face with 10 top management officials of the Company. The one hundred and fifty five questionnaires were administered purposively to the remaining three categories of staff – engineers, technicians and support.

The sample size of 155 was representative considering the extent of variability in the population, time constraints and framework within which the study was to be completed and submitted and also the confidence in the inference made.

3.4 Data Collection instruments

As stated earlier, a sample of 155 respondents was used and data was collected by means of questionnaires and personal interviews that were self administered by the researcher.

The questionnaires were used to reduce cost, save time and avoid prejudice. The first 3 questions were on HR practices in NAWEC. The rest centered on issues related to employee commitment and felt obligation, Work attitudes and behaviours, Decision making and finally on basic demographic data that was not too personal. Open ended questions were used for the interview to understand the reasons for the attitudes and opinions of staff particularly at top management level. The interview provided rich and detailed answers that threw more light on the responses of the questionnaires. As the nature of the study is explorative, the use of the interviewing techniques reduced

possible misunderstandings because the researcher ensured that all the questions were clear to respondents.

3.4.1 Questionnaire

Based on the purposive nature of the study 155 questionnaires were distributed to all the four categories of staff company-wide. Among these employees, 127 responded yielding a response rate of 82%. The questionnaires were used to reduce cost, save time and avoid prejudice. The first 3 questions were on HR practices in NAWEC. The rest centred on issues related to employee commitment and felt obligation, Work attitudes and behaviours, Decision making and finally on basic demographic data that was not too personal. These broad components form the selected bundle of HR practices that the research seeks to explore. Thus the questions on the questionnaire were able to answer the research questions and achieve the research objectives.

3.4.2 Interview

The researcher conducted personal “face-to-face” interviews. In the beginning of the interview meeting, the researcher introduced interviewees to the studied field of research, the main purpose of the interview, and its procedure. Then some unofficial but reassuring chat ensued to reduce the level of pre-interviewing panic and trust in confidentiality of response. Anonymity and confidentiality were the watch words. Most semi-structured interviews are recorded for clarity and maximum accuracy but in this case, no recording was done because interviewees were not comfortable with that. During interviewing, the researcher listened attentively while taking note of responses to questions and showing appreciation of their participation in a very interactive mood.

3.4.3 Observation

As an employee of the company, the researcher was also privy to observe the situation of HR practices in place and took note of them. Her observations were further consolidated by the responses received and transcribed from the interviews conducted.

3.5 Data analysis techniques

It is one thing collecting valid data and or information and another being able to effectively analyze them. After data collection, the researcher transcribed interviews to summarize the obtained information. This was to reduce limitations of the human memory and would allow for other researchers to go through the obtained information to evaluate the analysis at a later date when required. Transcribing also helped in categorizing the data and was the starting point of the analysis process.

The qualitative data techniques for interpreting the textual materials vary and therefore the researcher used categorization scheme. It means that the empirical findings through the interviews with perspective of the theoretical framework were classified into meaningful categories from which the needed analysis was drawn (Saunders at al, 2007). For that reason the researcher of this study decided to use an editing strategy which implied deciding on the categories after having all the interviews transcribed. After transcribing interviews, information was summarized in the empirical findings' section in such a way so it addressed all the interview questions.

The researcher decided to include “additional information” section because even though this information was not directly relevant to the research, it still had a strong connection to the concept of employee work attitudes and behaviour. It could be useful for the

subsequent analysis since it allowed seeing the problem from the broader perspective and defining some other important aspects of the topic.

3.6 Organizational profile



Figure 3.1 Aerial view of one of the power generation plants in Kotu
Source: NAWEC files, Nov. 2012

3.6.1 History

The National Water and Electricity Company Limited, NAWEC, was established in June 1996 under the Companies Act of 1955 as a Public Limited liability Company. NAWEC succeeded the Gambia Utilities Corporation, which was established by an act of parliament in 1972 and the Utilities Holding Corporation (UHC), which was established by Presidential Executive Order in 1992. NAWEC is mandated for the provision of electricity, water and sewerage service in The Gambia. It is governed by a

Board of Directors which is appointed by the Honourable Secretary of State for Petroleum, Energy and Mineral Resources. The Managing Director, appointed by the President, is responsible to directly oversee the operations of the Company. The electricity, water and sewerage assets are owned by government but managed and operated by NAWEC. As a public enterprise NAWEC has not operated on a commercial basis in the sense that both water and the provincial services are being subsidized by the Electricity Division. Although NAWEC has achieved financial sustainability for its normal operations, it still lacks the resources and capabilities, both human and technical to properly expand the electricity system. Due to this the system is ill equipped to satisfy the growing demand and needs substantial investment for maintenance and expansion. (Source: NAWEC files, Nov. 2012)

3.6.2 Main Activities

NAWEC is engaged in the generation and provision of electricity, water and sewerage services for domestic, public and industrial purposes. The Company is committed to expanding its coverage and aims at increasing the installed capacity to at least 180 Megawatts by 2020. Electricity losses are estimated at 30%. This represents both technical and non-technical (commercial) losses. The estimated losses for water ranges from 16 - 20%.

It was noted during the 2008 assessment, that the Transmission and Distribution (T&D) constituted one of NAWEC's biggest weaknesses. All reports referred to inadequate installations. Losses were said to be over 30% mostly induced by the obsolete installations of the distribution network and lack of adequate/required knowledge among

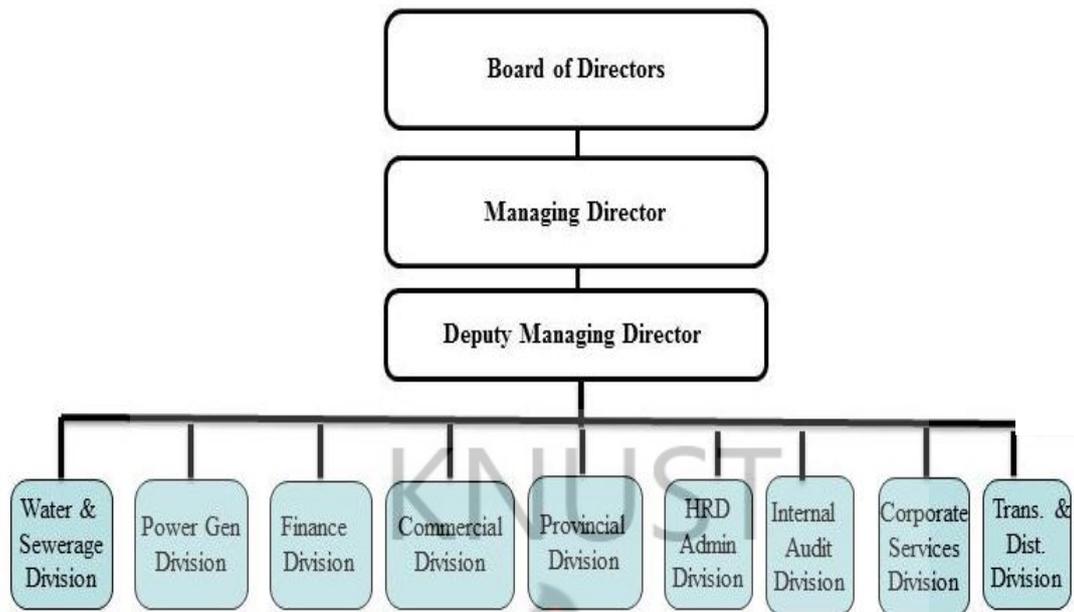
existing staff. The know-how to maintain the network has considerably dropped due to high turnover of qualified staff. The staff morale within the T&D unit did not reflect the required motivation to redress the obsolete situation.

On the Corporate Business Plan 2009 – 2012, the following activities were identified and scheduled to be implemented: Intensive External Training programs through the West African Power Pool (WAPP) and KNUST, Ghana; Selective Recruitment procedures, team building; communication and merit based compensation. In 2010, a crash program was sponsored by the European Union in Tema, Ghana under the coordination of WAPP for transmission and distribution personnel from all four participating countries, namely The Gambia, Ghana, Sierra Leone and Liberia. First degree in both Mechanical and Electrical engineering are currently pursued at KNUST under the sponsorship of NAWEC.

(Source: NAWEC files, Nov. 2012)

3.6.3 Staffing Situation

NAWEC has 9 divisions each headed by a Director who reports directly to the Managing Director. The Directors also supervises Managers who work under their divisions. There is currently 1546 permanent staff employed by the company, more than 50% of which are unskilled labour.



Figures 3.2 Nawec Organogram
 Source: NAWEC files, Nov. 2012

3.7 Data /information collection from NAWEC

An approval letter was obtained from the Management of NAWEC and all relevant secondary data were provided from the Company records by the HR division. Also it was emphasized to the employees that their participation was completely voluntary and their identity totally out of the scene, for fear of any reproaches or negative consequences. Only the overall results would be provided for the benefit of both employees and Management.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents, discusses and analyzes the primary data collected from The National Water and Electricity Company Limited, (NAWEC). The data were analyzed using the 17th version of the Statistical Package for Social Sciences (SPSS statistics 17.0) giving the interpretations of the responses to the questionnaires and the transcribed information gathered from the face-to-face interviews that were conducted. Visual objects such as tables, graphs and bar charts were generated through Microsoft excel.

The interviews threw more light on the findings from the questionnaires. Those interviewed were top management officials whose contribution was very important for the validation of the data. As decision makers, it was important that they were interviewed because they would facilitate the implementation of possible recommendations. The questionnaires and interview that were administered to randomly selected members of the staff were designed to assist the researcher explore and understand the relationship between a selected bundle of human resource practices in NAWEC that make up human capital management and its usefulness on the operational performance of the Company.

One hundred and fifty-five questionnaires were administered to respondents who were randomly selected across all the divisions of the organization and 127 (82%) were

received. The questionnaire consisted of 17 item questions. Below is an analysis of the collected data.

4.1 Human Resource practices in NAWEC

This was to help identify the relevant bundle of HR practices that make up HCM in NAWEC.

Table 4.1 Decisions, policies and procedures applied

Variables	Responses	Percentage
Strongly Agree	20	15.7
Agree	50	39.4
Neutral	14	11.0
Disagree	43	33.9
Total	127	100.0

Source: Researcher's field work; Dec.2012

From Table 4.1, 20 (15.7%) respondents strongly agreed to the fact that decisions, policies and procedures are applied consistently to all employees. Fifty (39.4%) respondents agreed to this fact. Fourteen (11%) of the respondents were neutral while 43(33.9%) of the respondents do not agree to this point. The researcher's observation made it clear that for those who responded in the negative, their disagreement or neutrality was two-fold. Some do not know much about these policies and procedures at all while others were aware of them but just do not see their consistent application.

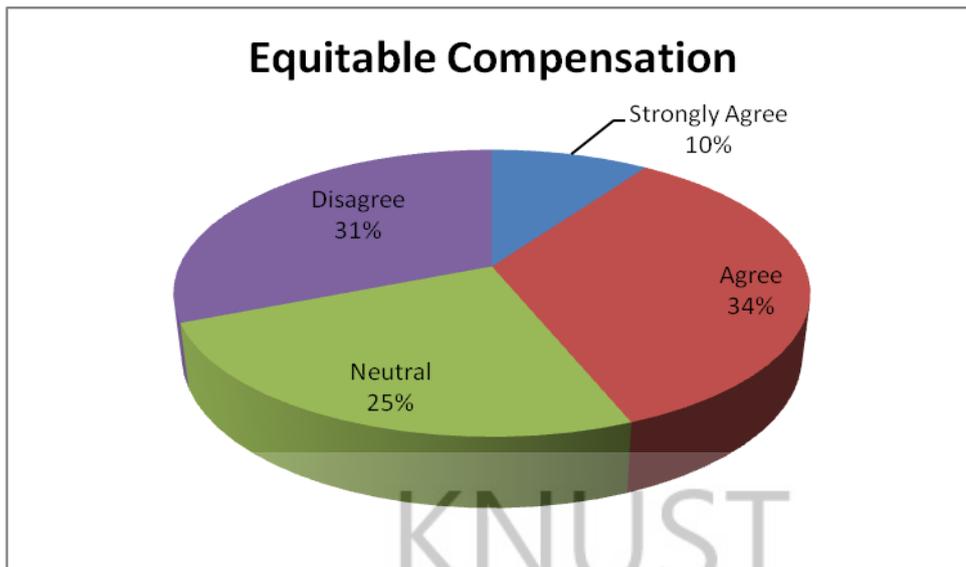


Figure 4.1 Equitable Compensation
 Source: Researcher's field work; Dec.2012

When asked whether equitable compensation and impartiality was practiced, 12(9.4%) of the respondents strongly agree to the fact that equitable and impartial compensation is practiced in NAWEC. Forty-three (33.9%) respondents also agreed to this fact. Thirty-one (24.4%) respondents were neutral while 39(30.7%) of the respondents disagreed to this point. From observation, even though almost half the number of respondents agreed to the compensation as being equitable and impartial on the questionnaire, in reality the general belief is that the current practice leaves much to be desired.

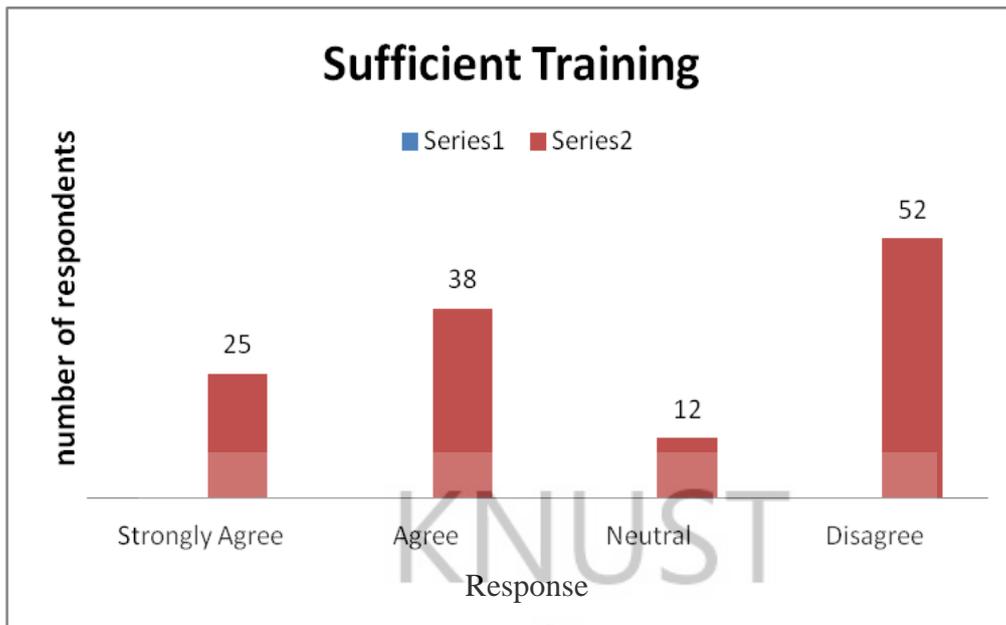


Figure 4.2 Sufficient Training

Source: Researcher's field work; Dec.2012

Training was a very interesting area as exactly half 63(50%) of the respondents [25 (19.7%) strongly agree and 38(29,9%) agreed] were identified to have been trained sufficiently to get their work done while the other half 63(50%) respondents [12(9.4%) neutral and 51(40.2%) disagreed to being given enough training to do their job. This can be attributed to the fact that training and development in NAWEC is a recent phenomenon and therefore will take some time for all to benefit. There is another dimension which has to do with trainability of employees. A good number of the employees were employed with no or very basic education but were trained on the job. For such people, academic training will continue to be unattainable.

4.2 Employee commitment and felt obligation

Respondents were asked the following questions to examine the mediating and moderating roles of felt obligation and employee commitment in NAWEC

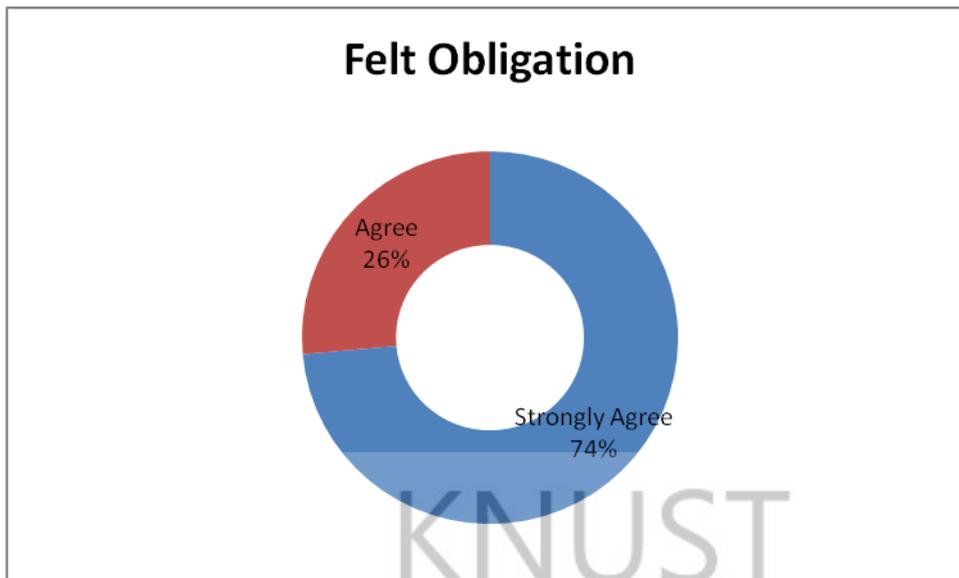


Figure 4.3 Felt Obligation

Source: Researcher's field work; Dec.2012

It was elating to note that 94(74%) respondents recorded strongly, their felt obligation to work hard for the Company to achieve its goals. The remaining 28(26%) respondents also demonstrated their felt obligation. Despite the observation of people wanting to appear loyal, the urge to work for the success of the Company is driven by their own need to secure a livelihood (salary). As indicated by Rhoades and Eisenberger (2002) in organizational support theory, employees' felt obligation leads to increased efforts and better performance. Therefore we expect better performance as more employees show their obligation to work hard for the Company to achieve its goals.

Table 4.2 Committed, enthusiastic and passionate

Variables	Responses	Percentage
Strongly Agree	82	64.6
Agree	42	33.1
Neutral	3	2.3
Total	127	100.0

Source: Researcher's field work; Dec.2012

When asked about their commitment and passion for the jobs they do, 82(64.6%) respondents said they were strongly committed, enthusiastic and passionate about their jobs. Forty-two (33.1%) also expressed their commitment, enthusiasm and passion for the jobs they do. Only 3(23%) were neutral about this. For whatever reasons, what is important here is the fact that people are ready and willing to work because they love the job they do. This is in line with Vroom's expectancy theory which states that the more an employee is satisfied intrinsically and becomes passionate about his/her job, the better work results are expected.

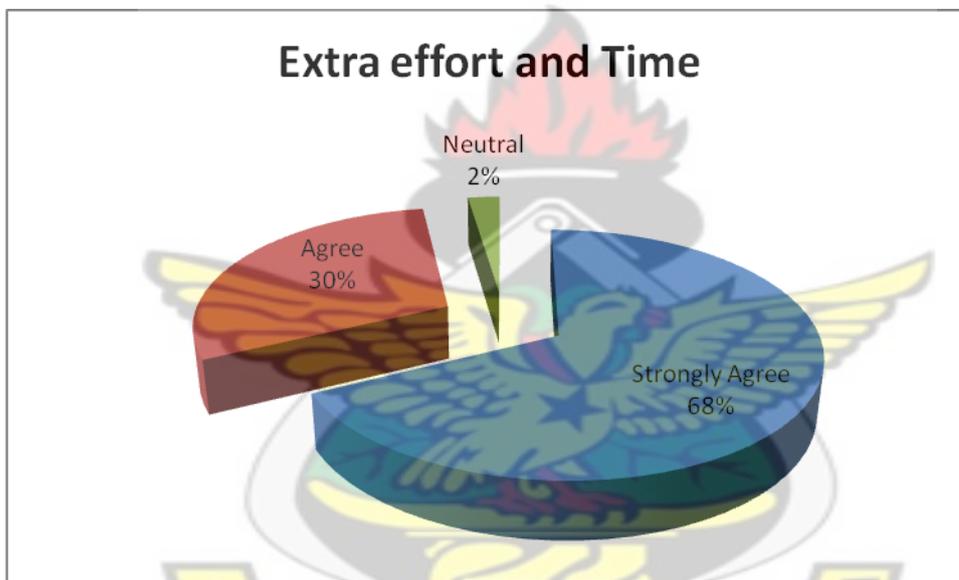


Figure 4.4 Extra effort and time

Source: Researcher's field work; Dec.2012

In order to ascertain their willingness to put in extra effort and time to get work done, 86(68%) respondents were strongly willing and 38(30%) respondents were also willing to put in extra effort and time. Only 3(2%) respondents were neutral. This illustrates the fact that NAWEC employees demonstrate high sense of obligation and commitment to work. There may be other varying factors such as inadequate training, lack of right tools to work with and so on which may deter them from achieving desired objectives and

performance levels but overall, their commitment to work over and above work hours was evident especially in the operational sectors of the Company.

Table 4.3 New and better ways

Variables	Responses	Percentage
Strongly Agree	72	56.7
Agree	52	40.9
Neutral	3	2.4
Total	127	100

Source: Researcher's field work; Dec.2012

From Table 4.7 above, despite the lack of appropriate tools to work, coupled with other lack of resources, 72(56.7%) respondents strongly expressed their resolve to look for new and better ways of doing things. Fifty-two (40.9%) respondents also responded that they do look for new and better ways of doing things while 3(2.4) respondents were neutral. This confirms their felt obligation to help the Company achieve its goals by improvising where the need arises. They are also willing to learn new and better ways that would ease their jobs and attain higher and better performance.

4.3 Work attitudes and Behaviours

In order to ascertain how positive work attitudes and employee behaviour translate to individual and organizational performance, the influence of the following factors on performance was sort.

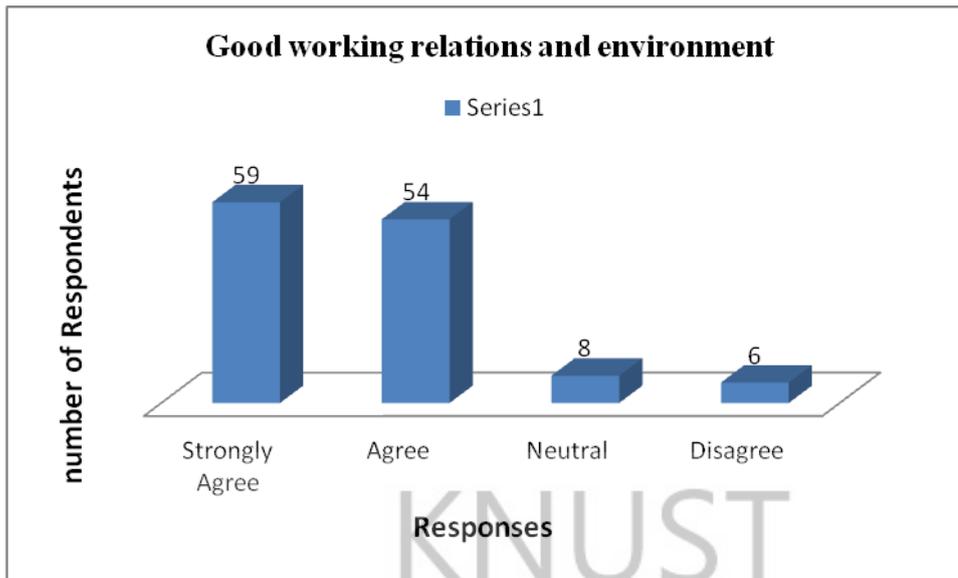


Figure 4.5 Good working relations and environment

Source: Researcher's field work; Dec.2012

The work environment strongly influences the extent to which employees are engaged in their work and committed to the organization. Deming (2000) describes that the physical work environment can cause stress which hinders employees from performing at the desired level. This could be, for instance, the lack of the right tools or the breakdown of a machine or computer system making it impossible to use. The study has showed by 59(46.5%) of the respondents from figure 4.5 above, strongly agreeing to the fact that their working relations and environment do influence their work performance. Another 54(42.5%) also agreed to this fact. Eight (6.3%) respondents were neutral while only 6(4.7%) respondents disagreed to this point. This means good working relations must be encouraged and the enabling environment created for employees to deliver better services.

Table 4.4 Self Esteem and confidence

Variables	Responses	Percentage
Strongly Agree	62	48.8
Agree	62	48.8
Neutral	3	2.4
Total	127	100

Source: Researcher's field work; Dec.2012

Responses from the above table indicate that 62(48.8) respondents strongly agree that self esteem and confidence does influence their work performance. Also another 62(48.8%) respondents shared the same view but moderately. Only 3(2.4%) were neutral. This is corroborated by the fact that when employees develop self esteem, feeling confident to do the things they want to do, their performance keeps improving. This means employees will always do better in the right environment and with the appropriate support.

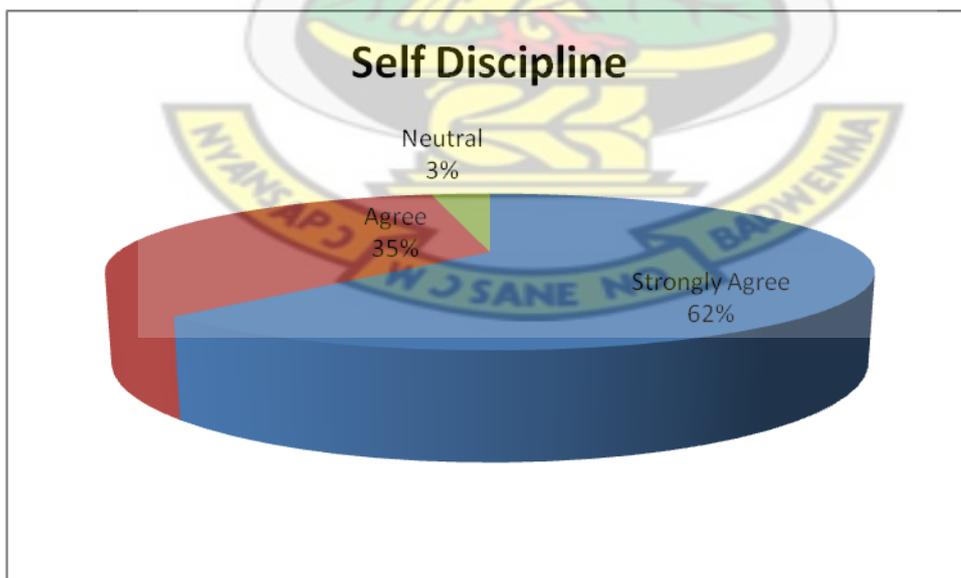


Figure 4.6 Self Discipline

Source: Researcher's field work; Dec.2012

From figure 4.6 above,79(62.2%) respondents strongly agreed to the fact that self discipline is a factor that does influence their work performance. Another 44(34.6%) respondents also agreed to this fact while 4(3.2%) were neutral. Managing one’s own work activities effectively and delivering results as expected can only lead to better performance. With self discipline, there will be little or no need for supervision of such employees and high performance is achieved.

4.4 Decision making and Employee Involvement

Robison, (2012 edition), a senior editor of the Gallup Business journal stated that the ways organizations hear and process employees' ideas will shape, to a large degree, whether or not they feel valued for their contributions. This is one of the research objectives, exploring to what extent NAWEC employees could be involved in decision making.

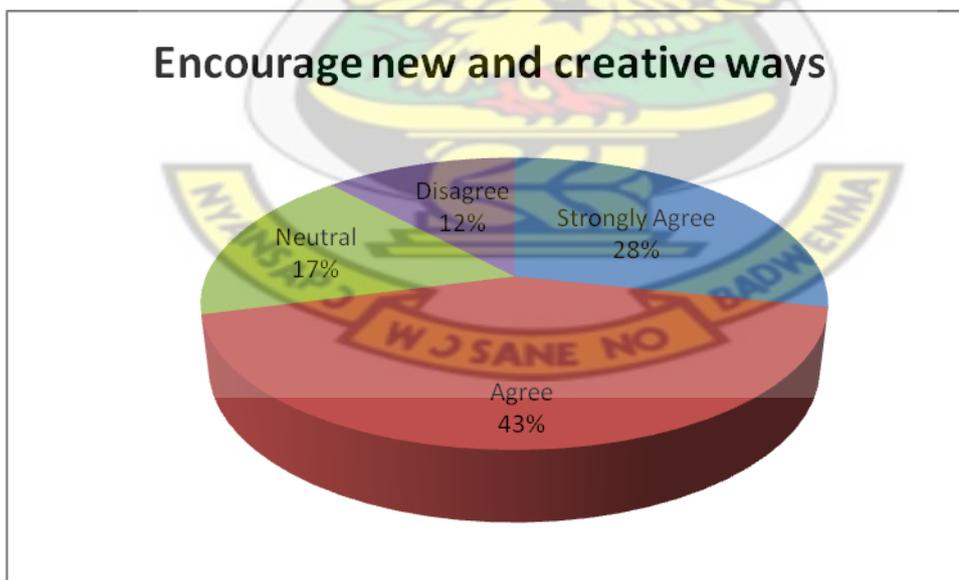


Figure 4.7 Encourage new and creative ways

Source: Researcher’s field work; Dec.2012

Looking at Figure 4.7 above, 36(28%) respondents strongly agree that they are encouraged to suggest new and creative ways to get the work done and to think outside the box. More respondents, 54 (42.5%) also agreed to this fact while 22(17%) were neutral. Thirteen (10%) respondents disagree to this fact, meaning they are not encouraged to suggest new and creative ways of doing things. The need for employees to feel valued -- to know that they really make a difference in their companies and organizations -- is one of the 12 key discoveries from a multiyear research effort by The Gallup Organization. All employees want to feel that they are making significant contributions to their workplaces. Robison, a senior editor of the Gallup Business journal (2012 edition), said that the ways organizations hear and process employees' ideas will shape, to a large degree, whether or not they feel valued for their contributions.

Table 4.5 Establishing Goals and Objectives

Variables	Responses	Percentage
Strongly Agree	38	29.9
Agree	53	41.7
Neutral	23	18.1
Disagree	13	10.2
Total	127	100

Source: Researcher's field work; Dec.2012

From the above table, 38(29.9%) respondents strongly agreed to the fact that they were involved in the establishing of their goals and objectives. Fifty-three (41.7%) others said they were also involved and 23(18.1%) were neutral. Thirteen (10.2%) respondents disagreed to this fact meaning more needs to be done for employees to be involved in

establishing their goals and objectives. Consistent with Maslow's needs hierarchy, When this is done, they become passionate in achieving these goals as their own success.

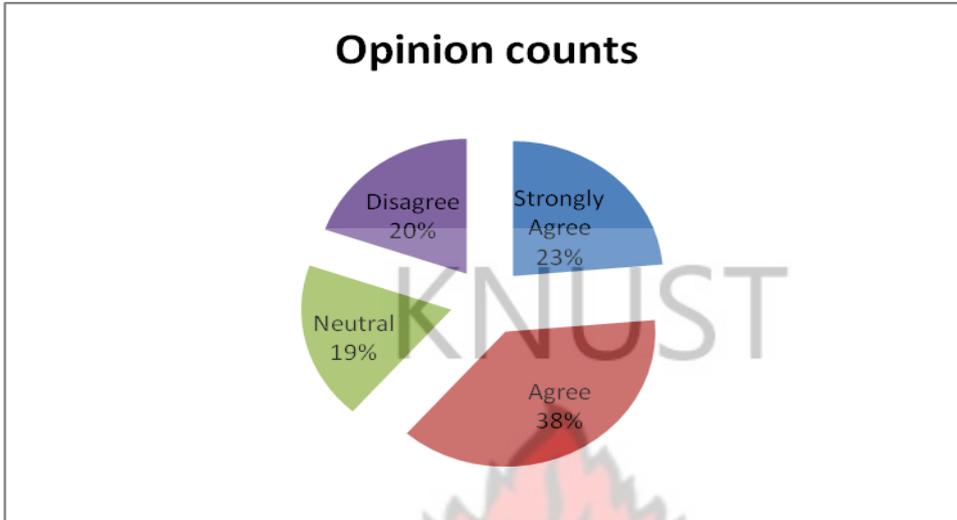


Figure 4.8 Opinion Counts

Source: Researcher's field work; Dec.2012

Just as we have observed earlier, figure 4.8 indicates that 30(24%) respondents' opinion counts when it comes to decisions taken on the day to day operations of their unit. Others, 48(38%) of them were also in agreement that their opinions count. 24(19%) respondents were neutral while 25(20%) respondents disagreed to this point meaning their opinions do not count in the day to day operations of their unit. This is consistent with earlier observed results on the relatively low involvement of employees in the decision making process Companywide. Generally, employees who feel a part of their workplace and can see evidence that they are making meaningful contributions to the success of the organization will give extra effort to get the job done.

4.5 Respondents' demographic data

The researcher sorts the age, educational background, income level and job category of respondents to understand the diversity of the sample population. This information

would be relevant in the setting of long term human resources policies, knowing what composes the human resources of the Company especially in terms of age and educational background.

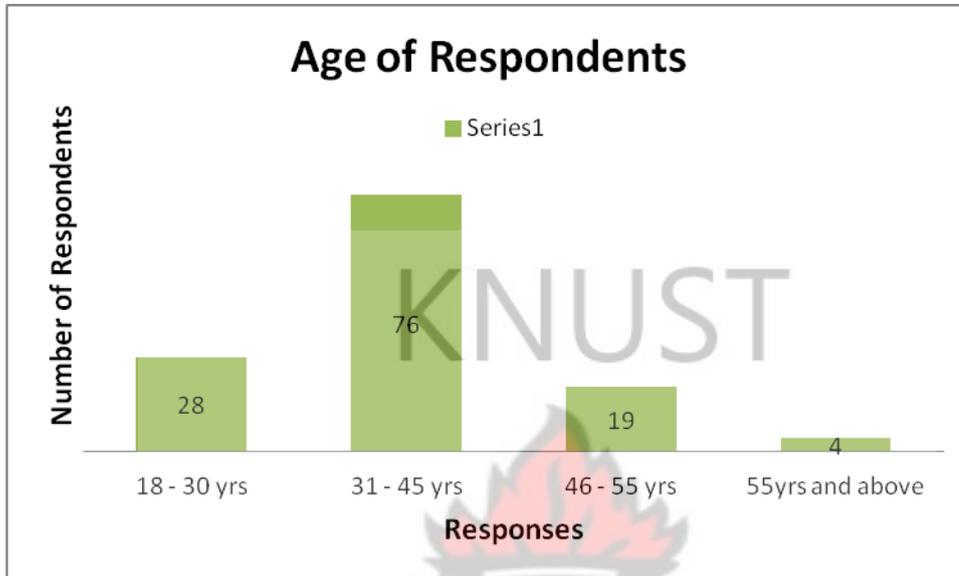


Figure 4.9 Age of respondents

Source: Researcher's field work; Dec.2012

The Figure 4.9 above shows the age of respondents. From the pattern that emerged, 28(22%) of respondents, are between the ages of 18 to 30years. The highest number of respondents 76(60%) were between 31 and 45 years while 19(15%) respondents were between 46 and 55 years. Only 4(3%) respondents were above 55 years. This shows a staff population of young adults most of whom are fresh graduates from school with very little knowledge beneficial to the operations of the Company. This study has validated the fact that this is as a result of the retirement of many old staff and high turnover in the past five years. In as much as the Company needs “new blood”, or fresh ideas into the system, the Company’s Operations highly depends on institutional memory which is lacking with these new employees.

Table 4.6 Educational Background

Variables	Responses	Percentage
Higher National Diploma	35	27.6
First degree	14	11.0
Postgraduate Studies	9	7.1
Other	69	54.3
Total	127	100

Source: Researcher's field work; Dec.2012

From table 4.6 above, 35(27.6%) of the respondents had higher national diplomas (HND). Fourteen (11%) had their first degree while only 9 (7%) of them had post graduate qualifications. The largest number of respondents, 69 (54.3%) stated other qualifications at least lower than the HND. Most of these are employees with only basic education or have not been to school at all. This is because the general public view of the Company operations is that one does not need to be educated to be a plumber, electrician or technician. It was seen as a trade that could be learnt on the job. As a result most of these employees started off as apprentices to the various unit heads and after undergoing training on the job were appointed to work for the Company. This approach had yielded some positive results but contemporary thinking has it that such trades be learnt with modern technologies for better and more efficient results.

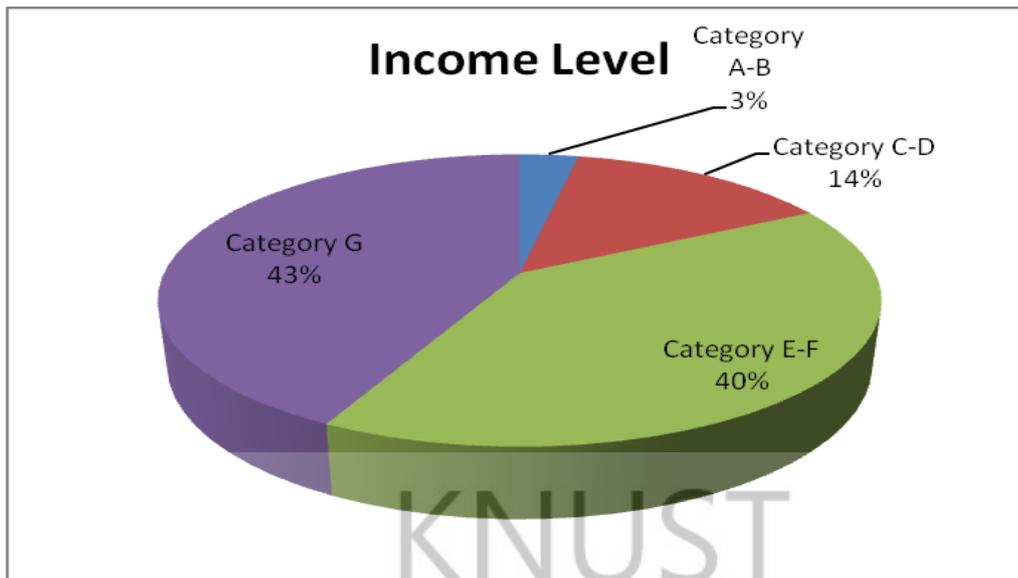


Figure 4.10 Income Level of Respondents

Source: Researcher's field work; Dec.2012

Figure 4.10 illustrates that 4 (3.1%) respondents receive salaries in the category A-B. Eighteen (14%) respondents receive salaries on category C-D while 51 (40%) respondents receive salaries on category E-F. The majority of respondents, 54 (43%) receive salaries under category G. These are mostly the field workers and technicians on the ground who are directly involved in the day to day physical operations of the Company. As such the majority of key operational staff do not see the current compensation practice as equitable and impartial. This study therefore validated the finding on the 2008 assessment report of the Company on the hierarchical authority associated with the categories.

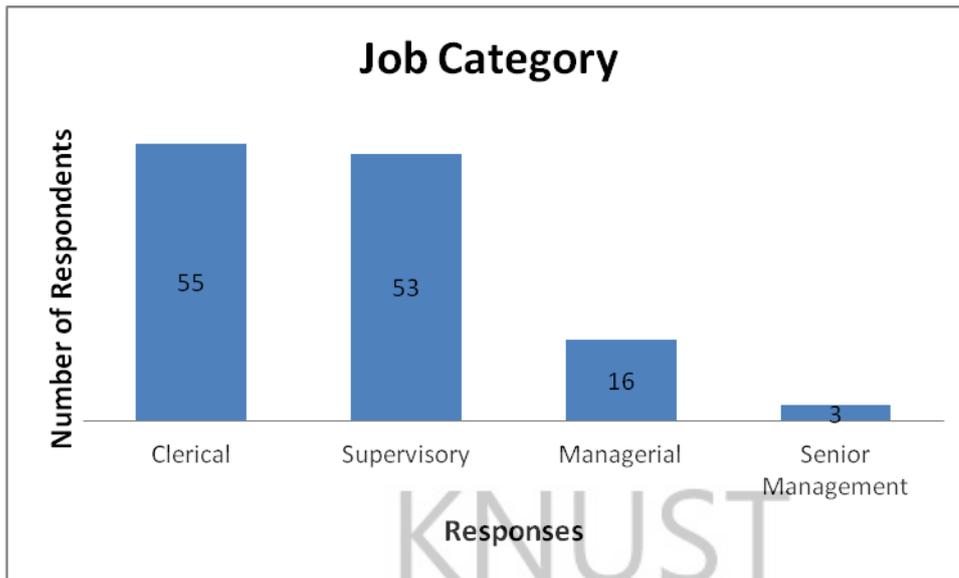


Figure 4.11 Job Category of Respondents

Source: Researcher's field work; Dec.2012

From table 4.17 above, 55(43%) of the respondents are clerical staff while 53(42%) are supervisors. Sixteen (12.6) of the respondents are managers while 3 (2.4%) respondents were senior managers or directors. These figures show that in effect there is no supervision if every supervisor supervises only one or two employees some supervisors may not even have a subordinate. This calls for a review of the supervisory category and possibly the overall structure to be more equitable and efficient. This, the researcher was made to understand from the interviews held, is as a result of the lack of proper job descriptions and promotion criteria, in the absence of a performance management system.

4.6 Interview with top management officials

Interviewing top management officials of NAWEC, threw more light on the issues raised leading to a better understanding of the real situation. The study was initially set out to explore and understand the relationship between a selected bundle of human resource practices that make up human capital management and its usefulness on the

operational performance of the Company. In analyzing the data, the researcher appreciated better, the kind of responses from the open ended questions that were asked during the interviews. This has helped the researcher better understand the underlying issues that explain the impact of such HR practices on the operational performance of the Company. The 10 questions that laboured on the acquisition, development and retention of talent as well as team working, communication and employee involvement, were discussed as below.

4.6.1 Recruitment process

When asked to describe the recruitment process in NAWEC, and whether there was a policy guide for recruitment, 6 out of the 8 officials interviewed, expressed dissatisfaction with the process. Some believed that the process is not transparent while others attribute it to the influence of higher authorities when recruiting. Even though the requesting division is represented during the recruitment process, the final decision to select and appoint does not come from them. Most times individuals or colleagues do influence such decisions. In such scenarios, the criteria for recruitment are not adhered to. Therefore one of the interviewees called for some degree of “professionalism in getting the right people to do the right thing”. Two of the interviewees said the process was good as far as they understand it. To them, the Human Resource Division is doing well in that regard. But overall there was no policy in place but a guide for recruitment which is mostly not adhered to.

4.6.2 Issues in acquiring talent

In an attempt to brainstorm the possible reasons why acquiring talent for the Company is becoming a problem and possible recommendations to address this problem, majority

of the interviewees were of the opinion that there was very little or no job security at public institutions such as NAWEC. Although this fact was inferred, the interviewees expressed concern about how senior officials in such institutions do not see opportunities for growth or development. As a result, qualified personnel and professionals do not want to work for institutions like NAWEC. Related to this point is the issue about title. The fact that some people want to be recognized with authority, one of the interviewees thought that introducing job titles that attract such individuals, will be beneficial. Another concern which was raised by all the interviewees is the lack of appropriate and required talent in the labour market. The educational system of The Gambia is such that technical training centres do not train on the speciality areas required by NAWEC. The very few who may be qualified are mostly hard to come by as they are unwilling to work for such institutions.

4.6.3 Impact of training on performance

The impact of training on performance in the past five years was generally seen to be positive, but interviewees were quick to say that much needs to be done. Training according to them is employee driven and as a result, “not specialized or appropriate for the tasks to be done”. Even though the impact could not be measured, it was felt and seen in the new and creative ways the trained employees now perform their duties. Aside the higher performance, increased productivity and higher morale were evident among those trained or on training. This is because, the trained employee develops self esteem and confidence to do his/her job better. The felt positive impact was more towards the individual than the Company. It was therefore a unanimous call for the Company training needs to be considered by introducing more company operations

oriented factory training than just providing academic programs which are not job specific.

4.6.4 Self-managed teams

The idea to encourage self managed teams at both divisional level and Companywide was welcomed by 4 out of the 8 officials interviewed. They posited that self-managed teams are good and should be encouraged companywide. Their argument was that it will “keep people on their feet” as expressed by one. Self-managed teams they said, encourages the individual employee involved as he/she exhibits potentials that may have been hidden. It also gives a sense of responsibility and independence. This motivational aspect of it can lead to higher commitment and enthusiasm to work hard for the Company to achieve its goals. Some said that self managed team working develops in the staff the sense of “able to do”. Generally it is believed that self-managed teams “encourages challenges, creates opportunities for staff to build their capacity and increases their confidence level”.

Four others were a little more apprehensive and saw self-managed teams as a good idea in certain administrative set-ups but not in an operational situation like NAWEC. Their concern was the fact that NAWEC operations are very critical and would rather not encourage self-managed teams but group team working, where the whole unit or division works as a team. The lesser apprehensive ones who saw it as a means of relaxed authority, would want to ensure that there is goal congruence in the teams as well as give very clear and precise terms of reference for all team members to avoid ambiguity.

4.6.5 Pay for Performance

Interviewees were asked to give their views on performance related pay policy and they all clearly expressed their view that it is one of the most important policy to be implemented and properly managed by the human resource division. One of them is quoted thus; “If pay is not performance based, then staff become dead wood”. They agreed that promotions must be performance based and therefore saw the need for an appraisal system which is not in place currently. This would mean that the compensation practice must be fair and equitable. Performance must be assessed before any compensation is given by setting targets. It was also viewed as a tool to reduce wastage and unnecessary labour costs. When properly managed, pay for performance encourages high performance but when badly done or not practiced at all, it discourages high performers and achievers. The concept was said to be problematic to implement but very important for the success of any organization.

4.6.6 Communication

In describing communication in and around the Company, the interviewees expressed concerns that this needs to be improved. The general view is that top-down information within the Company is recommendable but sometimes serious communication lapses do occur. As a management practice and for security reasons, information is segmented for its various users. But bottom-up communication is non-existent giving room for grape vines. Communication with the public is also very vital and this so far is inadequate. Some of the interviewees attributed the ineffectiveness of internal communication to the level of illiteracy among employees and the absence of an intranet facility.

4.6.7 Career development

When asked how staff development was practised in NAWEC and the availability of a career development plan, almost all the interviewees said there is no documented career development plan in NAWEC. As a result, training and development does not reflect corporate objectives. Staff are allowed to choose their own programs whether the program is relevant to the job the person is doing or not. Even though there is a training committee in place, there is no training needs assessment to identify the required skills gaps to be addressed for any particular job. Some of these top officials interviewed felt that there was not much job security that would warrant or support career development and that is why some of these officials are rather not bothered with it. The general consensus is that staff are being developed despite budgetary constraints but these need to be documented and properly aligned with corporate objectives otherwise training for the larger market.

4.6.8 Retention Schemes

Asked about the retention schemes in place, interviewees explained that apart from compensating to attract talent, NAWEC Management is cognisant of the fact that in order to maintain the institutions memory, certain key staff must be retained. As such, a lot of schemes are in place to retain staff. These are; the medical scheme, vehicle and building Loan schemes, educational support scheme and various relational benefits. Unfortunately, the schemes are not practiced professionally and systematically but on adhoc basis and individual cases. None the less, these retention schemes do add value to the lives of the employees and thus has reduced staff turnover since its introduction.

4.6.9 Involvement and empowerment

In giving their opinion on how involvement and empowerment of employees can lead to a change in work attitudes, two out of the interviewees were totally in for what was termed “Japanese Success”, saying involvement leads to commitment. The rest of the interviewees felt that in as much as Employee involvement is good, there is need for some control particularly when dealing with certain characters of people. The fact is not disputed they said, that it will help individual employees use their potentials better and develop more, but their concerns were issues of trust. For some, involvement and empowerment can be a source of motivation and inculcating a sense of ability, confidence and self esteem in individual employees. This also encourages positive attitudinal change and creates equal opportunities for staff to perform. Three out of the eight interviewees expressed concerns that one must first be sure of the calibre (personality) and ability to perform of the person to be empowered. This they said is important as “some involvement can make matters worse”. As far as they are concerned, involvement and empowerment must be handled with due diligence.

4.6.10 Benefits of Talent Acquisition, development and retention

Soliciting management’s understanding of talent acquisition, development and retention and their relevance to the Company, there was a general consensus on what these terms meant to the interviewees and their relevance to the Company. Talent acquisition was said to be the first step in moving any business. They saw the need for a very good human resource base for continued growth, so therefore getting the right people with the right skills, knowledge and attitudes is vital for the Company. Because talent acquisition is expensive, it is equally important for the Company to do all it takes to retain that talent and ensure it continues to be motivated to remain. As part of its

strategy they explained, NAWEC will develop all acquired talent to tap their full potentials and provide all the necessary support for the growth of the individual and the Company eventually. As corroborated by Barney (1995), The dominant view of human resource efficacy is that individual human resource practices ‘have the limited ability to generate competitive advantage in isolation but in combination, they can enable a firm to realize its full competitive advantage’ (Barney, 1995: 56). It is therefore very vital for NAWEC to acquire, develop and retain talent in order to continue to deliver as expected by the public.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter focuses on the findings, conclusion and recommendations relevant to the problems identified in the research.

The research sought to explore and understand the relationship between a selected bundle of Human Resource practices in NAWEC that make up Human Capital and its usefulness on the operational performance of the Company by seeking the views of Management and the general staff body. Elicited responses from both the questionnaires and the interviews point to the fact that the following HR practices; employment security, selective hiring, self-managed teams, high compensation contingent on performance, training and information sharing when correctly managed would generate the desired results in terms of operational performance. From observation and discussions held, it was evident that the impact of such HR practices on the operational performance of the Company would be highly positive.

In general, employees feel that there is no employment security especially with top management and selective hiring leaves much to be desired too. The less apprehensive officials were comfortable with self managed teams but noted the need to ensure proper management of the process and the selection of team members. On the contrary, others who were more hesitant defended their views with the fact that NAWEC operations were very critical and this could not be left to chance as it can cost one's life. Generally, compensation is said to be very competitive but an urgent need to ensure a fairer and

more equitable process is raised. Employees strongly agreed to compensating people based on performance and would welcome the practice of it for better and higher performance. This they said would greatly reduce bitterness among staff that leads to malice, envy and de-motivation.

Throughout the study, the issue of employee driven training, a current practice, was not applauded. Instead the need for an organizational training needs assessment was highly recommended not only to improve performance but a necessity to continue to be in operation. They also expressed the need for a more hands on approach to training, where academic training is supported or complimented with practical training. This would mean reengineering the defunct training school and review of the training policy as a whole. Most of the employees were of the opinion that effective communication is vital and a must to foster understanding and coordination of work activities for better and higher performance. Employees feel content when they are fully informed of issues around them in the workplace and especially when it concerns or affects them directly. They feel respected and would also be more confident because as the saying goes, knowledge is power.

5.1 Summary of Findings

The following are the summary of findings

5.1.1 Relevant bundle of HR practices

Analysis of the conducted research in NAWEC, shows the interconnectedness and complementary roles HR practices play in an organization. As posited by Spellman (1992) 'Human Capital Management is an integrated effort to manage and develop human capabilities to achieve significantly higher levels of performance.' The careful

selection of HR practices to manage human capital is therefore a precedent to the successful and effective management of human capital. The analysis showed that employees, especially at management level, are more likely to encourage employee involvement and information sharing if they have employment security. On another platform, employees generally are more likely to show interest in team working if their efforts are rewarded with performance-related incentives, given some degree of autonomy and see the compensation as fair and equitable. Likewise, if selective hiring was done, managing the knowledge, skills and capabilities of these employees, would involve career development and retention in the form of compensating them with the right incentives.

In the same light, the employees felt that their involvement in decision-making has a positive influence on their work attitudes and behaviours. Their participation or involvement in the day to day activities of their jobs motivates them to want to do more towards achieving the goals of the Company. It also builds their self esteem and confidence to perform assigned tasks with innovation and creativity.

5.1.2 Felt obligation and employee commitment

From the analysis of the research conducted, employees illustrate the fact that NAWEC employees demonstrate high sense of obligation and commitment to work. The employees felt that obligation to work and high performance comes as a result of Management's commitment to their well being. Therefore these activities of intrinsic motivation are reciprocal. Management must first demonstrate an obligation to compensate the employees well, and be committed to their well being in order for the employees to also feel obliged to repay the Company for the way they treat their

employees. It therefore augurs with the adage that Companies get what they pay for. Management can only succeed in their leadership when their employees are committed to the same vision and mission. Employees who feel a part of their workplace and can see evidence that they are making meaningful contributions to the success of the organization will give extra effort to get the job done.

5.1.3 Work attitudes and employee behaviour

Employees believe that performance can be influenced by their attitudes and behaviour at work. Employees' negative attitudes and behaviours may be as a result of inadequate information, knowledge, skills and specific abilities to perform ones job. When employees are ignorant of some basic facts about their job and its relevance to the overall existence of the Company, their attitude towards work and behaviours at work would certainly not be in line with corporate goals and objectives. The absence of the right knowledge, skills and capabilities to perform one's job can also be a contributing factor towards employees' work attitudes and behaviour.

5.1.4 Employees' involvement in decision making

From the survey employees must be involved in the decision making process and also given the needed authority to be able to carry out their responsibilities to be effective and efficient.

Majority of the employees were of the opinion that one crucial and fundamental contributor to a positive workplace environment is marked by a sense of mutual respect. The cultural background that employees are poor but proud compounds the issue and the need for involvement and possible participative management style. Employees

expect to be involved particularly in the day-to-day activities of their jobs in order to achieve the desired or agreed objectives. As the direct beneficiaries of these decisions, it is only fair that they participate in taking such decisions because this makes implementation very easy and successful. This has been observed to lead to a cohesive and effective means of accomplishing organizational goals. It would encourage employees to identify and own the solutions to their problems. Involving staff in decision making at whatever level, does not only build trust among the employees but will go a long way to avert certain unhealthy and destructive work attitudes and behaviours.

5.2 Conclusion

It can be concluded from the study undertaken that the relevant HR bundle that constitutes HCM in NAWEC is; employment security, selective hiring, self-managed teams, high compensation contingent on performance, training and information sharing. Inadvertently, most of these practices leave much to be desired thus creating the gap and eventual inefficiency of the HR division. Policies are either not available or not communicated to staff. The study also highlighted the mediating and moderating roles that felt obligation and employee commitment play in NAWEC. Those employees who feel obliged and committed to their job are those who felt they were well treated by Management. Consequently, the majority of employees do not see the compensation process as being fair and equitable. This general feeling of unfair treatment is growing resentment among employees and to some extent seen as a contributing factor to the poor and negative work attitudes and employee behaviours currently prevalent in the Company.

The degree of employee involvement in the decision making process in NAWEC is characterized by apprehension from the part of the leadership. The operations of NAWEC are indisputably critical to lives nationwide. The work environment is therefore marked with high degree of apprehension and insecurity. Employees generally do not want to take decisions or be accountable for actions done.

5.3 Recommendations

On the basis of the findings, the following recommendations are advanced for the attention of NAWEC.

5.3.1 Talent acquisition, development and retention

The study has revealed that talent acquisition is gravely flawed in two folds, the scarcity of qualified personnel in the labour market, and the influences on the recruitment process. It is therefore recommended that management should consider as a matter of urgency, the need to corroborate with training centres through the National Training Authority, in developing curriculums with the requisite knowledge and skills to work in NAWEC. Another recommendation would be to recruit directly from senior high schools and provide internal training for them before selection. This will go a long way to improve selective hiring practices for improved productivity. Talent development is critical for improved performance and productivity. It is therefore recommended that the training policy be reviewed to address the issues raised about academic training and balance it with professional practical training. Also recommending the immediate refurbishment and effective management of the training school as well as the institution of an effective career development plan for all staff particularly those identified with core competencies.

5.3.2 Employee commitment and felt obligation

From the survey employees feel committed and obliged to work towards the achievement of the organization's goal, when they are involved in the decision making process and also given the needed authority to be able to carry out their responsibilities. It is therefore recommended that employees be conscientized to own their actions both positive and negative and be allowed to make decisions appropriate at their level of authority. Their sense of responsibility will push them to be innovative and creative in getting things done. It is recommended therefore that NAWEC management consider relaxing the current management style and encourage a more participative management style.

5.3.3 Employee involvement

It was found from the research that involving employees in decision-making would contribute effectively to the implementations of decisions. A recommendation is being made based on the above that the views of employees should be sought on matters that affect their lives and work in the organization. This would ensure the easy and effective implementation of decisions as well as create the enabling environment for employees to think outside the box to get things done in better and more efficient ways.

5.3.4 Performance based compensation

Responses especially from top management illustrates that in the absence of an appraisal system, targets could be set at least as a guide for compensation. According to them, this issue is one of the reasons the Company has not been able to retain talent, as high performers are discouraged because compensation is not contingent on performance. In light of the foregoing, the researcher recommends an entirely new pay

structure which will value the different jobs and categories as well as a compensation package to be done by an external expert consultant on compensation management. This will facilitate promotions based on performance and not loyalty or seniority. It will also address the retention issue as well as restore trust and confidence in the management.

5.4 Additional information relevant to the research

Interestingly one major issue that strongly came up during the research was the need for knowledge management. Knowledge management is concerned with storing and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operations. Scarborough *et al*, 1999 suggest that knowledge management focuses on the development of firm-specific knowledge and skills that are the result of organizational learning process.

Looking at the critical and crucial nature of NAWEC's operations and the urgent need for improved sustainable performance, it is therefore recommended that management should consider as a matter of urgency, the need to manage the knowledge within especially on operational issues for business continuity and sustainable efficient performance. This will go a long way to reduce the high incidence of poor and unreliable power supply and all its negative attendant effects countrywide.

As illustrated by Bose (2004), realizing an effective Human Capital Management strategy and turning into knowledge based company is seen as a compulsory term of success for firms. On this note, the researcher recommends that NAWEC recognizes HCM as a long term strategic asset that in the future will lead to improved and

increased effectiveness. In addition, further research could be done to employ modern advanced methods such as the balanced score card to measure the impact of managing the Company's human capital.

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APPENDICES

Appendix 1

An excerpt of Nawec's 2008 assessment report

...Punctuality and Usage of working time need to be reconsidered in the organisation. The NAWEC employees are engaged on the basis of a forty-hour-working time per week. Forty hours mean forty hours. And it does not mean forty hours presence, it means forty hours working time. The current practice is far away of this understanding. The majority of the employees favour the presence definition of working time. This means an average reduction of the working time of fifteen percent. Considering about 500 workers with a productivity of hundred Dalasi per hour this unacceptable definition of working time creates a loss of about 15,000,000 Dalasi per year. No further comment.

If an employee only waits for the command of his/her superior staff the performance level is limited to the commands quality given. But based on self confidence and professional ability in many cases an employee can go far beyond these restrictions defined by commands, and perform much more than expected. The NAWEC management should apply much more courage and give freedom to those who are ready to perform with this self confidence. This provision of freedom gives space to own initiative, and will lead to a higher job performance.....

Appendix 2
Administered Questionnaire

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
COLLEGE OF ART AND SOCIAL SCIENCE
KNUST SCHOOL OF BUSINESS
DEPARTMENT OF MANAGERIAL SCIENCE
QUESTIONNAIRE

The purpose of this questionnaire is to gather information for an academic study on The Impact of Human Capital Management on Operational Performance at The Gambia National Water and Electricity Company (NAWEC) in pursuance of a Master of Business Administration degree. This is an academic exercise and the confidentiality of the information provided by respondents would be strictly observed.

SECTION A - Human Resource Practices in NAWEC

	Strongly Agree	Agree	Neutral	Disagree
1) Decisions, policies and procedures are applied consistently to all employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Equitable compensation and impartiality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) I have been given sufficient training to perform my job effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION B - Employee Commitment and Felt Obligation

4) I feel obliged to work hard for the Company to achieve its goals

5) I am committed, enthusiastic and passionate about my job

6) When needed I am willing to put in extra effort and time to get a job done

7) I look for new and better ways of doing things

SECTION C - Work Attitudes and Behaviours

Do the following factors influence your work performance?

8) Good working relations and environment

9) Self Esteem and confidence

10) Self Discipline

SECTION D - Decision Making

11) I am encouraged to suggest new and creative ways to get the work done and to think 'outside the box'

12) I am involved in establishing my goals and objectives

13) My opinion counts in the day to day operations of my unit

SECTION E - Basic Demographic Data

14) Age (Years)

a) 18 – 30

b) 31 – 45

c) 46 – 55

d) above 55

15) Educational Background;

a) Higher National Diploma

b) First Degree

c) Postgraduate studies

d) Other

16) What is your Income Level?

a) Category A – B

b) Category C – D

- c) Category E – F
- d) Category G

17) What job category do you belong?

- a) Clerical
- b) Supervisory
- c) Managerial
- d) Senior Management

Thanks for your time and cooperation

Appendix 3

INTERVIEW GUIDE (Questions to selected individuals at NAWEC)

(Administered face to face)

1. How would you describe the recruitment process in the Company? Is there any policy guide for it?
2. What are the major issues in acquiring talent? Recommended Solutions?
3. How has training impacted on performance in the past 5 years?
4. Would you encourage self-managed teams in your Division? Company-wide?
5. What is your view on performance related pay policy?
6. How would you describe Communication in general in and around the Company?
7. How is staff development practised in NAWEC? Any Career Development Plan in place?
8. What retention schemes do you have in place? As Management/Director
9. In your opinion would involvement and empowerment of employees lead to a change in work attitudes?
10. What do you understand by talent acquisition, development and retention? How relevant is it to the Organisation?

KNUST



Appendix 4

Permission to do Research work on NAWEC

