

## **The Effect of Placement Practices on Employee Performance in Small Service Firms in the Information Technology Sector in Kenya**

**Dr. Teresia Kavoo-Linge**

Assistant Professor of Management  
Chandaria School of Business  
United States International University  
P.O Box 14634 -00800 Nairobi, Kenya

**James K. Kiruri**

Chandaria School of Business  
United States International University  
P.O Box 14634 -00800 Nairobi, Kenya

### **Abstract**

***Purpose:** The aim of this study was to determine the effect of placement practices on employee performance in the small service firms in the information technology sector.*

### ***Design/methodology/approach***

*A descriptive research design was adopted for the study. The study selected a sample of owner managers of 36 firms using stratified random sampling technique. Data was collected using a structured questionnaire and analyzed using descriptive statistics which included frequencies and percentages. A bivariate pearson correlation was performed to determine the relationship between placement practices and employee performance.*

### ***Findings***

*The study found that most employees in the firms were average performers. The results show strong associations between performance on the one hand and job information, training and guidance on the other.*

### ***Limitations/Implications***

*A more comprehensive study needs to be done to determine the effect of Human Resource Management practices on employee performance in these organizations.*

***Originality/value:** In Kenya few studies have focussed on Human Resource Management practices in small service firms in the Information Technology Sector and so this study makes a contribution in that area.*

**Keywords:** employee placement, orientation, induction and performance

### **Introduction**

Employee placement is the process of assigning a new employee to a position within his or her sphere of authority where the employee will have a reasonable chance for success (Dessler, 2008). Kumar and Sharma (2001) define placement as the determination of the job to which an accepted candidate is to be assigned. Employee placement is important in an organization because it affects the employee's performance.

Employee performance in any organization is reflected in the effectiveness and efficiency with which goals and objectives are achieved (Sousa, Aspinwall, Sampaio and Rodrigues, 2005). Excellent employee performance means that the employee will carry out duties efficiently and effectively to meet agreed job objectives (Baldwin, 2008). To harness excellent employee performance, organizations ought to institute practices to manage employees well. The ability to effectively manage employee performance can lead to increased profit margins, cost savings, customer satisfaction, growth, or market share (Kirkpatrick, 2006).

SMEs rely heavily on their employees for their success (Brand and Bax, 2002). As such, SMEs should manage employees' performance for success. One good practice recommended for excellent employee management is effective placement. Dessler (2008) holds that faulty placement can result in poor employee performance which in turn could lead to reduced organizational efficiency, increased attrition, threats to organizational integrity, and frustration of personal and professional ambitions. Conversely, he argues that proper placement fosters personal growth, provides a motivating climate for employees, maximizes performance, and increases the probability that organizational goals will be met.

In support, Kumar and Sharma (2001) suggest that proper placement of workers reduces employee turnover, absenteeism and accident rates, and improves morale, all of which have implications on overall employee performance and productivity in the organization. Employee placement entails executing proper induction by developing an induction plan and implementing it.

### **Induction**

Induction which is also known as orientation or socialization is the process of initiating a new employee into an organization and acquainting him or her with the details and requirements of the job (Grobler, Warnich, Carrell Elbert and Hatfield, 2006). It is the process of informing new employees about what is expected of them in the job and helping them to cope with stresses of transition (Gomez-Mejia, Balkin and Cardy, 2012) The process should provide new employees with an understanding of how their job performance contributes to the success of the organization and how the services or products of the organization benefit the society. Induction not only develops the skills of employees but also helps in optimum utilization of human resources to achieve the organizational goals as well as their individual goals (Indradevi, 2010). A well done induction process can improve staff confidence and productivity, build employee loyalty and provide a competitive advantage in attracting and keeping good staff. Its purpose, in the work situation, is to enable an individual to acquire knowledge and skills to perform adequately a given task or job (Buckley, 2008).

Employee induction may be regarded as the final phase of recruitment and selection, but also as the first phase of learning and development and it aims to set new people off to a good start (Nankervis, Compton and Morrissey, 2009). Each organization should develop and execute a dynamic orientation and induction policy to provide guidelines for on-boarding new employees.

Deb (2006) states that an effective induction process puts together the activities of planning and monitoring the integration and maintenance of employees in an organization. Induction is a process and not an event. During the process, it may be necessary to vary timings, go back over elements depending on the requirements of the individual recipient and the particular circumstances of the work (Bradt and Vonegut, 2009). The period of induction is determined by the length of time it takes to become effective on the job and to learn and understand the new activities (Grobler et al., 2006). Induction parameters will take the employee through: organization framework and ownership; vision, mission and values; functions (departments/units); physical set up, amenities and recreation; governance, rules and regulations; safety and health issues and organizational philosophy. This means that during induction, new employees are familiarized with policies and standard operating procedures, labor legislation and information about compensation and benefits, occupational safety and health of workers, accident prevention issues and employee relations and workforce issues (rights, responsibilities). The mentioned aspects should constitute the preliminary learning and training a new employee experiences in an organization. Armstrong (2008) observes that resignations and turnover can increase if people are not given opportunities for learning and development, or feel that demands are being made upon them that they cannot reasonably be expected to fulfill without proper orientation. The author posits that new employees can go through an 'induction crisis' if they are not given adequate training when they join the organization. To support the need for induction, Nankervis et al., (2009) add that frequently, newcomers suffer feelings of failure because of inappropriate induction to the organization and this can be true for the newly hired experienced employees as for the novice. The same authors suggest that new employees should be inducted through a properly planned induction program.

### **Induction Planning and Program**

Induction planning seeks to formulate all activities intended to integrate the new employee with the organization's other employees, business process, vision, values and culture (Deb, 2006). Planning entails developing a program to implement the induction. An induction program is a set of information designed by management to accord the new employee the opportunity to settle in her/his job as quickly and smoothly as far as possible. Induction program should emphasize people as well as procedures, materials and equipment that the new employee will work with.

An effective induction program consists of supplemental efforts taken early in a new employee's tenure to help him build a better understanding of the organization's culture, his job responsibility, and how they tie into a company and departmental priorities (Royal and Agnew, 2011). Nankervis et al., (2009) argue that an induction program can make an immediate and lasting impression, which may mean the difference between an employee's success or failure on the job.

Thus they argue that careful planning with emphasis on program goals, topics to be covered, and methods of organizing and presenting them is essential. Nankervis et al., (2009) also posit that the nature of an induction program will be determined by the type of job, traditions and structure of the organization, as well as attitudes towards employee career planning. The authors hold that in small organizations, induction may simply take the form of a conversation with the human resource manager and line supervisor. Given that induction is ideally the first part of a bonding process between the new employee and others in the organization (it requires careful planning, supportive orientation packages and effective liaison between the human resources department and line management (Deb, 2006; Bernadin, 2010).

According to Bradt and Vonegut (2009) the failure of an ineffective induction program results to: new employees showing up for the first day and there is no one to greet them, no place for them to sit, no tools for them to work with, and no manager around to point to them the right direction. Consequently, new employees may get off on the wrong foot with the people they need to collaborate most closely with. The new employees may feel left to their own devices after day one because the organization has a sink-or-swim approach to initiating new employees.

Several authors have identified the main components of the induction program as containing a formal greeting followed by a job specific induction which is better given by the supervisor because it entails how the job is done. It has the following components: introduction to fellow employees and tour of local facilities; explanation of job procedures, duties and responsibilities; the schedule of training to be received; supervisor and organization expectations regarding attendance, personal conduct and appearance; job standards and production/service levels; performance management criteria; organization and work unit rules, regulations and policies. Next is general information which entails an overall explanation of the organization's operations and processes; conditions of employment, including hours of work, pay periods, overtime requirements, punctuality; safety and health policies and procedures, among others (Hubbart 1993, Dessler, 2008). Initial impression counts much in the later attitude of the employee towards the job and the company, which can determine their worker performance and level of productivity (Kumar and Sharma, 2001). The authors argue that the objective of an induction program is to build up the employee's confidence in the organization and in himself or herself so that he may become an efficient worker.

### **Induction Implementation**

The introduction program should be introduced in a controlled way. A new employee can not absorb everything at once. Employee induction would definitely make a significant difference in how quickly an employee can become more productive. The way a new employee is received has a long term impact on the employee's performance. Induction programs often involve standard formal introductory sessions that provide information about the organization, its structure and objectives and are supplemented by specialist, and often informal, sessions in the new employee's work area (Nankervis et al. 2009). People spend a large amount of their lives at work, and forming strong and positive relationships with coworkers is critical not only for job satisfaction, retention and effective teamwork, but is also critical for one's personal happiness and on-the-job engagement level (Sims, 2010). Companies that understand this include activities in the induction program to foster the forming of employee relationships on the new employees' first day, helping them join with others so they can do the work together (Bradt and Vonegut, 2009; Sims, 2010).

To enable employees to become productive more quickly on the job, they need to be given information and materials to "get a head start" before their employee's first day on the job such as the initial paper work, benefits information and company products and brand information (Sims, 2010). The author also suggests that a peer or buddy assigned to the new employee, to provide an additional resource person to assist the employee, to answer questions and to communicate the "unwritten rules" of the company should also be made available.

Effective induction implementation drives new employee productivity, accelerates delivery of results and significantly improves talent retention (Bradt and Vonegut, 2009). When organizational induction is implemented effectively, individual and organizational goals can be united. Low performance among new recruits has been linked to ineffective implementation of induction programs (Nankervis et al., 2009). Bradt and Vonegut (2009) observe that when any person takes on a new role, there is a risk he or she will be misaligned with the organization.

The authors assert that when this is compounded with the disruption inherent in all organizations, a number of new employees fail or decide to leave in the first six months and that as many as 50% of new employees fail to deliver what their organizations expect.

Although many studies have been done on the placement practices in big organizations, very little attention has however been paid on the same in small firms, despite their acknowledged role in the employment of the bulk of a nation’s human resource (Bartam, 2004; ECI Africa, 2006).

Bernadine (2010) argues that well-developed placement programs are rare. It is not clear if small firms have put them in place. This study seeks to determine the effect of placement practices on employee performance in the small service firms in the information technology sector.

**Methodology**

The aim of this study was to determine the effect of placement practices on employee performance in the small service firms in the information technology sector. In this study, a structured questionnaire was used to collect quantitative data. Respondents were asked to give their opinions in relation to employee performance and placement practices. The dependent variable employee performance was measured with one item with likert scale responses ranging from 1 very poor to 5 excellent. The independent variable employee placement was measured using five items ranging from having an induction policy to job information. The measures involved likert type of questions with responses ranging from 1 as strongly disagrees to 5 strongly agree.

**The Sample**

The population of the study was the owner managers of small service firms in the information technology sector with operations in Nairobi City totaling to 362. They comprised computer consultants, computer networking, hardware and maintenance and computer software service firms. Stratified sampling was used to select a sample of 36 companies, equivalent to 10% of the population of the study. The sample size was consistent with the recommendation by Mugenda and Mugenda (2003) who argue that for small scale research, a sample of 10% is adequate.

**Data Analysis**

Data was analyzed using the applicable statistical tools in the statistical package for social studies (SPSS). A Bivariate Pearson correlation was performed to determine the relationship between placement practices and employee performance. Data was presented by use of tables.

**Results**

**Employee Performance**

Table 1 shows the opinion of the SME owner/managers on how they rated the performance of their employees. From these results, majority of the managers rated the performance of their employees as average 42.6%, (15). Those who indicated that employee performance was very good were 38.9% (14), 10.2% (4) were rated as poor and lastly, 8.3% (3) rated their employee performance as excellent.

**Table 1: Employee Performance**

Responses	Distribution	
	Frequency	Percent
Excellent	3	8.3
Very good	14	38.9
Average	15	42.6
Poor	4	10.2
Very poor	0	0.0
Total	36	100.0

**Induction Policy**

Concerning whether all managers had an induction policy, Table 2 shows 55.6% (20) and 5.6% (2) agreed and strongly agreed, respectively. The table also shows that 27.8% (10) were neutral whereas 11.1% disagreed.

**Table 2: Induction Policy**

Responses	Distribution	
	Frequency	Percent
Strongly agree	2	5.6
Agree	20	55.6
Neutral	10	27.8
Disagree	4	11.1
Strongly disagree	0	0.0
Total	36	100.0

**Guidance**

In terms of receiving guidance, Table 3 shows that 66.7% (24) and 13.9% (5) agreed and strongly agreed, respectively that new recruits were assigned individuals to show them around the organization. Eleven percent (4) of the respondents was neutral and 8.3% (3) disagreed.

**Table 3: New Recruits Assigned Individuals to Give Them Guidance**

Responses	Distribution	
	Frequency	Percent
Strongly agree	5	13.9
Agree	24	66.7
Neutral	4	11.1
Disagree	3	8.3
Strongly disagree	0	0.0
Total	36	100.0

**Training**

Respondents were asked whether all new recruits were provided with adequate training on job-specific operations. Table 4 indicates that 52.8% (19) of the respondents agreed and 11.1% (4) strongly agreed. Twenty five percent (9) of the respondents were neutral while 8.3% (3) and 2.8% (1) disagreed and strongly disagreed.

**Table 4: New Recruits are Provided with Adequate Job Related Training**

Responses	Distribution	
	Frequency	Percent
Strongly agree	4	11.1
Agree	19	52.8
Neutral	9	25.0
Disagree	3	8.3
Strongly disagree	1	2.8
Total	36	100.0

**Bonding**

Table 5 shows respondent's practice concerning the fostering relationships of new employees with others during orientation. Fifty percent (18) of the respondents agreed and 8.3% (3) strongly agreed the SMEs included bonding activities in the orientation program to enable the new employee to relate to other employees. However, 27.8% (10) of the respondents were neutral whereas 11.1% (4) disagreed and 2.8% (1) strongly disagreed.

**Table 5: Bonding**

Responses	Distribution	
	Frequency	Percent
Strongly agree	3	8.3
Agree	18	50.0
Neutral	10	27.8
Disagree	4	11.1
Strongly disagree	1	2.8
Total	36	100.0

**Job Information**

Lastly respondents were further asked whether they provided information and materials such as the initial paper work, benefits information and company products to new recruits before their first day on the job. Table 6 illustrates that 50% (18) and 2.8% (1) of the respondents agreed and strongly agreed, respectively. The table also shows that 30.6% (11) of the respondents were neutral while 13.9% (5) disagreed and 2.8% (1) strongly disagreed.

**Table 6: Employees are provided with Job Information**

Responses	Distribution	
	Frequency	Percent
Strongly agree	1	2.8
Agree	18	50.0
Neutral	11	30.6
Disagree	5	13.9
Strongly disagree	1	2.8
Total	36	100.0

**Correlation between Employee Placement Practices and Performance**

To determine the relationship between employee placement practices and performance, a bivariate pearson correlation was performed. The results showed a strong association between job information and employee performance ( $r=.641, p<0.01$ ) training and employee performance ( $r=.563, p<0.01$ ) and guidance and employee performance ( $r=.402, p<0.01$ ). However a negative relationship was shown between bonding and performance ( $r=-.337, p<0.05$ ). The results are presented in Table 7.

**Table 7: Bivariate Pearson Correlation Analysis between Placement Practices and Employee Performance**

		1	2	3	4	5	6	7
1	Employee Performance	1						
2	Induction policy	-.006	1					
3	Guidance	.402(**)	.086	1				
4	Training	.563(**)	.000	.500(**)	1			
6	Bonding	-.337(*)	.325	.103	.175	.139	1	
7	Job Information	.641(**)	.246	.165	.296	.002	.235	1
	N	36	36	36	36	36	36	36

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

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

**Discussion**

The study found that slightly less than half the respondents reported that the performance of their employees very good, average performers were many and a few were poor. The fact that a number of managers were neutral about having an induction policy might mean they may not have it. The findings also showed that more than half of the SMEs provided information and materials such as the initial paper work, benefits information and company products to new recruits before their first day on the job. This practice is resonant to human resource literature (Sims, 2010) which states that to enable employees to become productive more quickly on the job, they need to be given information and materials to “get a head start” before their employee’s first day on the job such as the initial paper work, benefits information and company products and brand information. A significant number of the managers assigned new recruits to individuals to show them how things worked in the organization. Nearly half of the managers of did not provide new recruits with company information and details about the employment relationship beforehand. One can deduce that the new employees had to start without some requisite job or organizational information which could affect employee performance.

A handful of the SMEs ignored the need to foster a positive environment for the new recruits by affording them a bonding process. This could impact negatively on employee performance. Literature suggests that people spend a large amount of their lives at work, and forming strong and positive relationships with coworkers is critical not only for job satisfaction, retention and effective teamwork, but is also critical for one’s personal happiness and on-the-job engagement level (Sims, 2010).

It is possible that the SMEs that did not include activities in the orientation program to foster the forming of employee relationships on the new employees' first day were the ones who experienced low performance as suggested Bradt and Vonegut (2009). The study established that there were strong associations between performances on the one hand and job information, training and guidance on the other. This confirms that the new employees who receive induction in these areas are likely to perform better than those who do not.

### **Conclusions and Recommendations**

Based on the findings, it is reasonable to conclude that a sizeable number of the small organizations gave their new employees an induction. However, there were many cases where the respondents returned neutral responses. These could be an indication that they did not understand the practice of induction, or did not carry it out and therefore wanted to remain non-committal in their opinions. Small service firms should consolidate the gains realized from proper orientation. They should lay emphasis on giving new employees proper guidance, training and job related information because these three aspects may be critical for employee performance.

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