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## **The Effect of Induction Programmes on Creation of High Performance Work Systems (HPWS) in Kenya**

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### ***Abstract:***

*This paper reviews the effect of induction programs on creation of high performance work systems (HPWS) in Kenya. Data for this paper was ascertained from secondary sources.*

*Purpose of the Study was to discuss the extent to which induction of new employees can be responsible for the creation of high work commitment practices with particular reference to Kenyan commercial banks.*

*The study found out that for established (mainstream) banks, their induction programs are centralized and most do not have human resource managers at the branch level thus a disconnect between the trainers and evaluators of induction programs. It was equally realized that the concept of digital HPWS had not been embraced in the banking industry although to a great extent appropriate technology was in use and this had greatly galvanized bank operations thereby reducing operational costs*

***Keywords:*** *Induction, High performance work systems (HPWS), Performance*

## **1. Introduction**

### ***1.1. Background to the Study***

Induction does a lot to an organization. It is the first step in building a two-way relationship between the organization and the new staff. Orientation makes new employees feel at ease and welcome, makes them understand the organization in a broad sense, makes employees aware of what is expected of them in terms of work and behaviour and it initiates the process of socializing the employee into a firm's way of doing things Dessler (2008). Juhi (2008) asserts that a good induction creates a good impression, good adhesion, increases productivity, promotes employee retention, reduces costs and it makes employees take less time to familiarize to work environment. Armstrong (2008) points out that induction is to smooth the preliminary stages when everything is likely to be strange and unfamiliar to the starter, to establish quickly a favourable attitude in the employee so that they are likely to stay, obtain effective output from the employee within the shortest time possible and to reduce the likelihood of the employee leaving quickly. Bowdin et al (2001) adds that a structured induction program begins the process of bonding the individual to the organization by; providing basic information about the organization like mission, objectives ,stakeholders and locations, making an introduction to other staff and volunteers, giving an introduction to the organizational culture ,history and working arrangements and giving an overview off the training programmes. Appleby (1994) argues that a good induction programme should introduce new employees to the firm and to the job and show them where they belong in the organization. That can be achieved through a systematic course of induction that covers; brief history of the company, products, place in the industry, present organization, names of departments and the work of various departments, the rules of working and safety and health regulations, human resource policy regarding discipline, education and training and promotions ,holidays ,methods of computation and date of payment of salaries and wages, introduction of the new employee's own department and detailed summary of department's work.

Induction contributes to performance in achieving the standard performance levels quickly by providing basic training, mentoring and regular feedback during induction period. A good induction programme can increase productivity and reduce short-term turnover of staff. Armstrong (2008) adds that the aims of induction to the workplace are to; put the new employee at ease, interest the employee in the job and organization, provide basic information about working arrangements, indicate the standard of performance and behaviour expected from the employee and to tell the employee about the training arrangements and how he/she can progress in the company. Jones (2012) concurs that induction helps in building a trust partnership that works for both the organization and employee, it facilitates better communication for useful and sustainable employment relationship between managers and employees and it enhances organizational commitment. This is further supported by Blog (2009) who asserts that the objectives of induction are to; build confidence about self and the organization by reducing anxiety that impedes ability to learn to do the job, create a feeling of belonging and loyalty to help overcome the initial fear and adopt to the organization in the short time, familiarize the new employee with the job and job environment-if the new employee takes long to understand and adapt to the organizational culture, the organization will not have effective outcome from the new employee, generate favourable

attitudes within the employee about peers, superiors, subordinates and the organization with an understanding that attitude is the basic thing that can change the behaviour of the person, assist the new employee contribute to organizational success more quickly by subordinating 'personal agenda' and promoting 'organizational agenda', help reduce labour turnover and reduce absenteeism, help the new comer to overcome his/her shyness and shyness nervousness in meeting people in the new environment.

Bowdin et al (2001) adds that ' during induction, job description with the individual should be discussed to ensure that one has a clear understanding of matters such as responsibilities ,performance, approaches to performance evaluation and reporting relationships, terms and conditions of employment including security ,probationary periods ,grievance procedures ,absenteeism sickness ,dress code ,holidays /leave benefits ,superannuation, salary and overtime rates and other benefits such as car parking and meals". It also means that if employees are to exhibit self managed behaviour, then they must be thoroughly grounded on their roles and work expectations, accountabilities and boundaries that must be put right from the onset. These high commitment and self managed employees are characteristics of HPWS implying that induction has a bearing on creation of HPWS if well integrated in the organization.

Tamkin (2009) points out that where there are HPWS, organizations have moved towards a less hierarchical structure, people work in groups with greater autonomy and all these is based on high levels of trust and communication—a process that can initiated right from induction.

Lindsay (2011) asserts that an effective induction programme is key to realization of high performance work (HPW) that has high; flexibility, innovation, knowledge and skill sharing, alignment with organizational directions, rapid response to changing business needs and market place requirements. Further, it is argued that high performance organizations focus on quick adaptation of the new employees and they build processes and procedures to adopt new hires quickly. They teach the new employees the basics of corporate culture, the main decision lines and basic performance expectations (wikipedia)

To achieve the above, organizations can engage in the following modes/types of induction; organizational induction in which new employees are oriented to the mission, vision, strategies, organizational set-up, history and current status of the organization, departmental induction where a new employee is oriented to the particular department where he/she will have to perform, job induction in which an employee is oriented to the job he/she is supposed to perform. It means one has to learn his responsibilities, duties and working conditions of the job, human induction in which the person is introduced to all the personnel with whom he/she will have to interact.

### *1.2. Statement of the Problem*

Despite the immense contribution that effective induction makes to both the organization and an individual, little attention has been paid to the connection between employee induction and high performance work systems particularly in the banking industry in Kenya. In the wake of technological innovations, globalization and stiff competition in the financial sector, banks have to brace themselves for tougher times. With the infiltration of other entrants initially not in the mainstream financial sector, the only remedy for banks is to be more market responsive and adaptable. This can be done by customizing their induction programmes right from the onset so that they give them a competitive advantage in enhancing productivity and reducing the operational costs. Attainment of HPWS where employee innovativeness is increased, span of control by middle management reduced and there is devolved decision making from top/middle management to lower autonomous groups can be enhanced if induction programmes are premised on that approach/strategy. It is against this backdrop that this study was conducted to establish the extent to which employee induction programmes contribute to creation of HPWS

## **2. Induction and HPWS**

Induction also known as employee orientation is defined as the procedure for providing new employees with basic background information about the firm. Dessler (2008). Armstrong (2008) defines it as the process of receiving and welcoming employees when they first join a company and giving them the basic information they need to settle down quickly and happily and start to work. Kumar (2000) defines induction as the process by which new employees are integrated into an organization so that they become productive as soon as possible. Blog (2012) defines it as the HRM function that systematically and formally introduces new employees to the organization, the job, the work groups to which they will belong and work environment where they will work. Alternatively, Blog looks at it as a systematic attempt to introduce the new employee to the organization, the relevant department, the relevant job and the relevant personnel.

On the other hand, Dessler (2008) defines High Performance Work Systems (HPWS) as a set of bundles that organizations put in place to boost productivity. They have also been defined as a specific combination of HR practices, work structures and processes that maximize employee knowledge, skills, commitment and flexibility. Lindsay (2011) defines them as work approaches used to systematically pursue ever-higher levels of overall organizational and human performance.

Dessler (2008) is categorical that careful selection of employees doesn't guarantee they will perform effectively, potential is one thing performance is another. Even high potential employees can't do their job if they don't know what to do or how to do it'. He says that the responsibility of inducting new employees lies with the HR managers who have to do the initial welcoming and explaining basic matters before handing the employees to the immediate supervisor who in turn will explain the departmental operations and introduce the employee to the colleagues and workplace as made evident below

The rationale behind induction is to enable the new employee get acquainted to the practices, procedures and operations of an organization as fast as possible in order for one to upscale his/her production to match that of the other experienced employees providing similar or related services as him /her. Shaun (1982)

### 2.1. High Performance Work systems (HPWS)

Much as scholars have no consensus on universally applicable combinations of HPWS, Tamkin (2004), outlines 18 bundles of practices as; realistic job previews, use of psychometric tests for selection, well developed induction, provision of extensive training for experienced employees, regular appraisals, regular multi-source feedback on performance, individual performance related pay, profit related bonuses, flexible job description, multi-skilling, presence of work-improvement teams, information provided on the business plan, information provided on the firm's performance targets, no compulsory redundancies, commitment to single status and harmonized holiday entitlement. Ashton and Sung (2002) have sifted the bundle of practices to 4 major dimensions namely; a) employee involvement and autonomy in decision making, b) support for employee performance appraisal systems, mentoring and coaching, c) reward for performance-both individual and group based performance and d) sharing of information

Tamkin (2004) clarifies the component parts of a HPWS as; a vision based on increasing customer value by differentiating an organization's products and moving towards customization of its offering to the need of individual customers, there is leadership from the top and throughout the organization to create momentum, there is decentralized, devolved decision making by those closest to the customers, development of people capabilities at all levels with emphasis on self management, team capabilities and project based activity. Equally, there are support systems which include performance operations and people management processes aligned to the organizational objectives to build trust, enthusiasm and commitment based relationships within and outside the organization. Finally, there is fair treatment for those who leave the organization and engagement with the needs of the community outside the organization

According to [www.prefrain.com.au](http://www.prefrain.com.au), the benefits of HPWS are equally many as in; having a win-win relationship between employees and employers, increasing employee productivity in the long term, developing effective employee performance measures, implementing incentives for employees that work, creating a positive organizational culture, agreeing retention techniques for talented people, targeting and selecting 'organizational fit' people, creating an environment of knowledge sharing, improving existing employee decision making processes, creating self managed teams, understanding job satisfaction and motivation in employees, supporting employees by providing training in personal and professional development, aligning organizational strategy with employee goals, facilitating open communication in the organization, improving in active participation and reflective listening styles, managing unexpected situations and using precedents to influence stakeholders .

In a research conducted in 1995 in Britain where emphasis was on the effect of labour productivity of three specific components of HPWS namely; skill training, compensation linked to workers performance and employee involvement in decision making, it revealed that 37% had majority frontline workers engaged in two or more HPWS and among Fortune 1000 companies using at least one practice that increased the responsibility of employees in the business process, 60% reported that these practices increased productivity by 70%. The studies further revealed that many company initiatives however are piecemeal rather than systematic and then concluded that the existing evidence suggested that it is the use of comprehensive systems of work practices in firms that is closely associated with stronger firm performance.

Oakland (2004) says that one way of achieving HPWS is by eliciting employee commitment and involvement and that successful organizations place great importance on empowering their employees to create a working environment that is conducive to the employees to take responsibility. He gives examples of Dona commercial credit corporation (DCC) that empowers its employees by encouraging them to; set their own goals, judge their own performance, take ownership of their actions and identify with DCC. The other example is TNT where 'all employees are empowered to respond to normal and extraordinary situations without further recourse' and that they have 'worked hard to create a no blame culture where their people are empowered to take decisions to achieve their objectives'. Additionally, successful organizations with higher employee commitment and empowerment are known to take common initiative characterized by; corporate employee suggestion schemes in terms of formalized mechanisms for promoting participative management empowerment and employee involvement, companywide culture change programmes in terms of workshops, ceremonies and events used to raise the awareness and to empower individuals and teams to practice continuous improvement and measurement of key performance indicators (KPIs) whereby the effectiveness of the staff involvement and empowerment is measured by improvements in human resource key performance indicators such as labour turnover, accident rates, absenteeism and lost time through accidents.

In another study done in Britain on HPWS, Buchanan and Malman (1989) in a book entitled *High Work Performance Systems 'The Digital Experience'* Buchanan was able to take HPWS a notch higher by bringing out the characteristics of digital high performance systems as highlighted below; everyone belongs to an autonomous team of 8-15 people meeting at least weekly as a group, teams are responsible for their own scheduling, training and problem solving, teams develop their own quantitative performance indicators, second level supervision (general foremen) was eliminated, Pay-for-knowledge encourages everyone to learn virtually every job in the plant, there is team based suggestion reward scheme, individual performance appraisal emphasizes support for the business team, there is single job category 'quality operator. '

From Buchanan experience, it is evident that digital HPWS triggers a very high level of employee discretion ability that displays the greatest autonomy and watertight teamwork systems to elicit performance with very little managerial supervision.

The study revealed that the problem of new recruits in adopting the digital HPWS was a continuous because new employees were most unfamiliar with the HPW environment .Many had neither the personal or group skill nor self confidence to work effectively in this contexts. It was therefore important that induction training programmes cover attitudes that support the Digital Experience. This was because digital HPWS had the following benefits; excellent quality product, good productivity, productivity on schedule, satisfactory stock turnover, good reputation on customer service, rapid change in attitudes and behaviour at all levels, shared goal and employee understanding of their impact on the business, open communication within and between functions, flexibility in skill development, smooth implementation of new products and production equipment and thus reduced time to

market of new products. Buchanan concluded that the organizations must be proactive and move out of their traditional comfort zones.

Tony Dobbins in a study carried out in Ireland in 2008 whose subject was –quality of work indicators– work organizations, and whose theme was *HPWS can boost work conditions and productivity*, it was established that HPWS characterized by strategic human resource management, workplace partnership and equality and diversity systems showed a positive correlation. In this study that aimed at; measuring the average rate of labour productivity per person, workforce innovation and rates of employee turnover, the results were; employee turnover was about 7.7% lower as a result of such strategies, production was up by 14.8% and innovation was boosted by 12.2%. This confirms that HPWS works and a structured induction programme can minimize cases of labour turn-over, improve on employee productivity and innovativeness.

Juhi (2008) argues that in the absence of induction, company image goes down, employees cannot work at the highest potential, there is less productivity, poor integration in team, increased uneasiness of the employee and it leads to high employee turnover, lowering the morale for the remaining staff, additional cost of re-recruiting, damages the company's reputation and the leaver's record is affected. Jones (2012) says that induction tend to be an event rather than a process-Event comprising a brief overview of an organization by one or senior manager, an explanation of the policies and procedures which have been followed, an appointment with the HR to fill various forms so that an email address can be established and payroll knows who the next kin is.' In a study done in Britain in 2007 whose subject was-*Does staff induction impact on staff turnover in the UK hospitality industry*, the researcher says that 'irrespective of whether or not a structured process is in place, all employees undergo through induction phase. In many of the organizations especially those that do not have a specific HR department induction may be a little more than greetings before being shown to their workplace. New employees may be told to ask questions if needed and are left to get on the job as if it is assumed they already possess the skills to complete the task. He goes on to say that this can leave the employee feeling isolated and confused, unaware of the rules causing them to leave'. This underscores why there should be policy and master plan on induction to abate turnover cases that does not lead to attainment of HPWS

### 3. Conclusion

Whereas induction influenced high work performance systems (HPWS) by instilling confidence in the new workers, making them at ease at their new work environment, providing a variety of initial work experiences and establishing a strong fit between the job and their capabilities. It can be noted from the above findings that in the banking industry the span of control by middle managers is still high. Equally, devolved decision making had not been achieved and many of the activities employees undertook were communicated to them from their immediate supervisors and all this was against the tenets of HPWS. Additionally, employee innovativeness to a large extent suffered as they were accountable to their seniors who at times are mandated to conduct induction for non technical staff. This was a big setback for high employee discretionary ability as envisaged in HPWS. For the established (mainstream) banks, their induction programmes were centralized and most did not have human resource managers at the branch level thus a disconnect between the trainers and evaluators of induction programmes. It was equally evident that the concept of digital HPWS had not been embraced in the banking industry although to a great extent appropriate technology was in use and this had greatly galvanized bank operations thereby reducing operational costs

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