Human Resource Management and Performance in Faith Based Organisations Involved in HIV and AIDS Work in Blantyre

Master of Business Administration

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Declaration

I declare that this thesis is my own unaided work. It is being submitted to the University of Malawi in Partial Fulfillment of the Requirement for the Award of the Degree of Master of Business Administration.

Candidates Name:

Signature:

Date:

Certificate of Approval

We declare that this thesis is from the candidate's work. Where he has used other sources, it has been acknowledged.

This thesis is submitted with our approval.

First Supervisor's Name:
Signature:
Date:

Second Supervisor's Name:
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Date:

Head of Department's Name:
Signature:
Date

Dedication

This work is dedicated to my wife Olipa who encouraged me to go for it.

Acknowledgement

Special thanks go to Dr R. Bakuwa, my first supervisor whose guidance and supervision led to me to deep paths of learning in Human Resource Management (HRM). Special thanks also go to my second supervisor Mr. N. Nsiku whose comments on the technical aspects of the work were very useful.

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Abstract

The relationship between Human Resource Management (HRM) practices and organizational performance is a critical issue in management practice today. This is born out of the realization that human resource management practices influence organizational performance. Studies both in the profit and non-profit sector have established a relationship between human resource management practices and organizational performance.

This dissertation is a result of the study on the relationship between human resource management practices and organizational performance in Faith Based Organisations (FBOs) involved in HIV and AIDS work in Blantyre. The objectives of the study were (1) to establish the HRM practices that exist in FBOs involved in HIV and AIDS work in Blantyre, (2) to identify if there are any variation in the adoption of human resource management practices in the FBOs, (3) to identify performance dimensions in the FBOs and (4) to establish if there is any relationship between HRM practices and organizational performance in the FBO's.

A structured questionnaire was administered to 14 randomly selected FBOs involved in HIV and AIDS work in Blantyre. The respondents were lower and senior managers of these FBOs. The data collected was analysed quantitatively using Statistical Package for Social Science (SPSS).

The overall findings suggest that FBOs involved in HIV and AIDS work in Blantyre have significant challenges in their pay systems and free-flow of information. These challenges are more significant in FBO's within the age bracket of 1-6 years and also across both local and international FBOs.

The study therefore proposes that FBOs introduce standard procedures in their pay systems, improve their information flow within and across teams and develop strategic human resource policies and systems in younger FBOs.

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List of Abbreviations

AIDS	Acquired Immuno-Deficiency Syndrome
CHAM	Christian Hospital Association of Malawi
CONGOMA	Council for Non-Governmental Organisations
CUAHA	Churches United Against HIV and AIDS in Eastern and Southern Africa
FBO	Faith Based Organisation
HIV	Human Immunodeficiency Virus
HRM	Human Resource Management
NAC	National Aids Commission
MBA	Master of Business Administration
MIAA	Malawi Interfaith Aids Association
NGO	Non-Governmental Organisation
SERQUAL	Service Quality
SPSS	Statistical Package for Social Science
TQM	Total Quality Management
UK	United Kingdom

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CHAPTER 1: INTRODUCTION

1.1. Background

Human Resource Management (HRM) is a strategic and coherent approach to the management of the organisation's most valued assets- the people working there who individually and collectively contribute to the achievement of objectives (Armstrong, 2007). The above definition suggests that HRM practices aim to establish an open, flexible and caring management style so that staff will be motivated, developed and managed in a way that they can give their best to support an organisation's objectives.

Recently, the relationship between HRM practices and organisational performance has become one of the most critical issues in management practice (Chand and Katou, 2007). This is born out of the growing realisation of the importance of human resource management in relation to the performance of the firm. Since it is employees that drive strategy implementation for business success, a firm's HRM practices can affect the way employees work to the success or detriment of organizational performance (Michlitsch, 2000). For example, innovative HRM practices such as systems of high performance work practices have shown significant influence on organizational performance (Murphy and Southey, 2003). In addition, other studies from both the private sector and the non-profit sector have shown significant links between HRM practices and organizational performance (Chand and Katou, 2007; Alastrita and Arrowsmith, 2004; O'donell and Garavan, 2007). HRM practices have also been shown to be related to service quality and TQM programme implementation (Redman and Mathews, 1998).

Although the above studies do not cover all sectors, it might be possible to argue that HRM practices are important to any organization, including Faith Based Organisations (FBOs). However, it might be oversimplification to generalise the results of these studies and apply them wholesale to the FBO sector without further systematic study. Therefore, this study examines the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre.

1.2. Faith-Based Organisations

Faith Based Organizations (FBOs) belong to religious organizations category of non-profit organizations. They share many characteristics with their secular counterparts in that they are influenced by the same political, social and economic contexts. However, there are two characteristics which set FBOs apart from most secular non-profit organisations. First, FBOs are motivated by their faith and secondly, they have a constituency which is broader than humanitarian concerns: The expression of faith is a powerful motivation for their humanitarian action (Ferris, 2005). Their other special characteristics include having one or more of the following: Affiliation with a religious body; a mission statement with explicit reference to religious values; financial support from religious sources; a governance structure where selection of board members or staff is based on religious beliefs or affiliation and decision-making processes based on religious values (ibid). In addition, the FBOs come in different sizes, others are local while others are international. Some are either church-based or independent.

1.3. Problem Statement

The advent of the HIV and AIDS epidemic and its effects has witnessed a significant response from all sectors of society including the faith-based community. While most responses to the crisis are motivated by mere humanitarian concern, the FBO response is motivated by a duty arising out of faith-commitment to help those suffering from the pandemic and its aftermath. For believers, to be a Christian implies a duty to respond to the needs of the poor and the marginalized and even those living with or affected by HIV and AIDS. By going beyond mere philanthropy, the group becomes unique among all the players in HIV and AIDS work.

In Malawi, while many FBOs have recognized governing structures, many do not open up to external professional membership of their governing bodies while others still remain very conservative with bureaucratic structures (CHAM, 2003). Further, human resource and management systems capacity are affected by unavailability of qualified personnel in these institutions. This is caused in part by a common tradition in most FBOs of recruiting unqualified personnel and in some cases based on “relationships and trust” which compromises the quality of work being provided (ibid). In addition many FBOs are not able to offer competitive packages where other NGOs provide very high perks. These findings are supported by the resulys of a recent study on staffing challenges in Malawi’s Islamic FBOs (Saddiq, 2009). The study found that many Islamic FBOs have unqualified personnel which in many cases is a result of low pay and poor management systems that do not attract the best qualified personnel. The above studies suggest that FBOs including those involved in HIV and AIDS work have significant shortfalls in their human resource management systems. The later seem to attract much attention lately due to the nature of their work and the donor funds which they use that require them to be under public scrutiny. Therefore, the practical challenges require special research to explore if HRM practices have any relationship with organizational performance in FBOs involved in HIV and AIDS work in Blantyre.

1.4. Research Objectives

The overall objective of the study is to explore the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS in Blantyre. This objective will be achieved by answering the research questions below:

1.5. Research Questions

This study basically answers the following research questions:

- Which HRM practices exist in FBOs involved in HIV and AIDS work in Blantyre?
- Are there any variations in HRM practices across FBOs in relation to organizational attributes?
- What are the performance dimensions in FBOs involved in HIV and AIDS work in Blantyre?
- Is there any relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work in Blantyre?

1.6. Justification of study

Given the practical challenges in FBOs involved in HIV and AIDS work in Malawi, there is need for a study to establish if there is any relationship between HRM practices and organizational performance. Incidentally, very little, if any, research on the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work has been done. This justifies the pursuit of the present study.

In addition, there are also a number of reasons that justify the pursuit of this study. First, the FBO intervention in HIV and AIDS work is growing rapidly, making it imperative for scholars and practitioners to understand HRM practices and the challenges faced in this FBO subsector. For example, of the 183 NGOs under the HIV and AIDS in the 2008 CONGOMA directory, 24% are FBOs (CONGOMA, 2008). This shows the significance of FBO intervention in HIV and AIDS. Secondly, from a practical perspective, and in view of the significance of the sector, the study draws management attention to the fact that there is a need to develop HRM practices that can enhance the effectiveness and sustainability of FBOs involved in HIV and AIDS work in Malawi. Thirdly, it is essential to determine whether HRM practices and policies developed in the West also hold in a non-Western country like Malawi. The FBOs involved in HIV and AIDS work can provide a useful case. Finally, from an academic perspective, this study provides additional insight into HRM practices and challenges in FBOs involved in HIV and AIDS in Blantyre. Such insight can contribute to the future development of HRM in FBOs in general and other non-profit organisations. Therefore, the present study is of significant value for HRM practitioners and scholars alike.

1.7. Outline of Chapters

The research report is presented in six chapters.

Chapter one is the introduction. It presents the background to HRM practices and performance relationship and the organisations under study. It also presents the problem statement, research objectives, research questions, justification of study, limitations of study and an outline of all the chapters.

Chapter two reviews the literature on the relationship between HRM practices and organizational performance and identifies the gaps in the literature.

Chapter three is the conceptual framework. It analyses in detail the key variables of HRM practices and performance discussed in the literature review. It clarifies their meaning and various dimensions and how they are being measured in the study. Lastly, it defines the attributes that will be used to check differences across FBOs.

Chapter four presents the research methodology. It describes the research philosophy, research approach, research strategy, data collection tool, the study sample and the data analysis technique.

Chapter five presents the analysis and discussion of results of the study.

Chapter six presents conclusions and recommendations from the study.

1.8. Chapter Summary

The chapter has presented the introduction to the study. It has presented the background to HRM practices and performance relationship and the FBOs under study. It has also presented the problem statement, research objective, research questions, justification and an outline of all the chapters.

The next chapter will discuss literature review on the relationship between HRM practices and organizational performance. It will clarify the literature’s contribution to the study and how the study meets the gap in the literature.

CHAPTER 2: HRM AND PERFORMANCE, REVIEW OF LITERATURE

2.1. Introduction

The last chapter presented an introduction to the study. It presented the background to HRM practices and performance relationship and the FBOs under study including the problem statement, research objective, research questions, justification and an outline of all the chapters. This chapter discusses relevant literature on HRM practices and organizational performance. It clarifies the literature's contribution to the study and how the study meets the gap in the literature. In terms of outline, the chapter discusses HRM practices and performance models and the relationship between HRM practices in both profit and non-profit organisations. Lastly, a summary and evaluation of the literature is presented.

2.2. HRM Practices and Performance Models

The influence of HRM practices on organizational performance remains a critical area of inquiry in modern management literature. Since the emergence of HRM in the 1980's, two approaches have been used to establish the relationship between HRM practices and organizational performance. One approach argues that there is an indirect relationship between HRM practices and organizational performance while the other argues that there is a direct relationship between HRM practices and organizational performance (Chand and Katou, 2007).

2.2.1. Indirect HRM Practices and Performance Relationship

In relation to the first research path, the argument is that although most studies speak of HRM practices leading to performance, such a one-way line of "causation" is unsatisfactory (ibid). Paul and Anantharaman (2003) in an attempt to test the causal model connecting HRM and performance, found that not even a single HRM practice has direct causal connection with organizational performance. Thus, the general consensus developed among researchers of this approach is that HRM practices and/or HRM systems do not lead directly to business performance. Rather, they influence firm resources, such as human capital, or employee behaviors, and it is these resources and behaviors that ultimately lead to organizational performance. This model assumes that there are variables that mediate a link between HRM practices and business performance (Chand and Katou 2007). Guest, Michie, Sheehan and Conway (2000) have summarised the above view by providing a relatively simple model. In this model, they argue that HRM practices influence employee commitment, and employee commitment then influences employee performance, which in turn impacts on the organisation's performance. The model proposes that human resource practices positively impact on performance by (1) ensuring and enhancing the competence of employees, (2) tapping their motivation and commitment and (3) designing work to encourage the fullest contribution of employees. The strength of this approach is that it is able to reduce the complexity of the HRM practices and performance relationship by highlighting employee commitment as the mediating factor between HRM practices and organizational performance. In other words, employee commitment is the major motivator which HRM practices should aim for. However the bases upon which its conclusions were drawn has been questioned by many researchers (Hall, 2004). Among its major weaknesses is that the model implies that all the HRM elements should be present in order to ensure positive employee attitudes and behaviour. This assumption is difficult to come by in real business life.

2.2.2. Direct HRM Practices and Performance Relationship

In relation to the second research path, three major models or frameworks emerge, namely, the best fit or contingency model, the configuration or bundling model and the universalistic or best practice model.

2.2.2.1. The Contingency or Best Fit Model

The contingency or best fit model emphasizes the importance of ensuring that HRM strategies are appropriate to the circumstances of the organization, including its culture, operational processes and external environment (Armstrong, 2007). The approach also implies that business strategies are followed by HRM practices in determining business performance (Chand and Katou, 2007; Guest et al, 2000). In this case, HRM strategies have to take into account the particular needs of both the organization and its people. One strength of this approach is that it is able to show that contextual variables such as culture and business strategy can affect the efficacy of HRM policies and practices. However, one challenge of this approach, according to Purcell (1999) as cited in Armstrong (2007) is the impossibility of modeling all contingent variables, the difficulty of showing their interconnection, and the way in which changes in one variable have an impact on others. In addition, its other weakness is that by depending on fit with other factors in the firm, the approach raises the stakes in an organization's application of HRM practices. The organization has to do a lot before it can effectively put in place its HRM practices. However, even with these weaknesses, the approach provides a useful picture of the dynamic forces that affect the application of HRM practices and policies in organizations.

2.2.2.2. The Configuration or Bundling Model

The configuration or bundling model posits that a strategy's success turns on combining vertical or external fit and horizontal or internal fit (Armstrong, 2007). In other words, it posits a simultaneous internal and external fit between a firm's external environment, business strategy and HRM strategy, implying that business strategies and HRM practices interact according to organisational context in determining business performance (Chand and Katou, 2007). This approach assumes that a firm with bundles of HRM practices should have a higher level of performance, provided it also achieves high levels of fit with its competitive strategy (Armstrong, 2007). In this model, emphasis is given to the importance of bundling, which is the development and implementation of several HRM practices together so that they are interrelated and, therefore, complement and reinforce each other (ibid). The strength of the approach is that it is able to portray all the dynamic forces that determine organizational performance. It also shows that HRM practices do not operate in isolation in influencing organizational performance but have to be aligned with the totality of the organisation's internal and external environment. However, the major challenge of the approach is that it assumes that every facet of the organisation's environment has to be in perfect order before HRM practices can influence organizational performance. In today's turbulent business world where change is a constant factor, it would mean that the efficacy of HRM policies is at the mercy of the constantly changing business environment. This means that the HRM strategy has to be constantly reconfigured to match the constant changes.

2.2.2.3. The Universalistic or Best Practice Model

The Universalistic or best practice model is based in the assumption that there is a set of HRM practices and that adopting them will inevitably lead to superior organizational performance (ibid). The model suggests that business strategies and HRM practices are mutually independent in determining business performance (Chand and Katou, 2007). In addition, it suggests that by being more strategic about human resource management, organizational performance will improve (Hughes, 2002). Such a set of HRM practices associated with superior performance can be found across organisations (Guest et al, 2000). According to Hughes (2002), the bundle of HRM practices includes:

- Culture. Valuing employees (i.e. viewing employees as "internal customers," measuring employee satisfaction as part of a "balanced scorecard" approach)

- Leadership. Assessment strategies and the provision of development opportunities to support promotion from within.
- Selection. Hiring for attitude (e.g. service orientation/values) and motivation.
- Training. Intensive orientations, training programs and cross-training opportunities.
- Communication and coordinating mechanisms. Managers as coaches, regular meetings and newsletters.
- Employee involvement/empowerment programs. Focus on customer service, broadly defined jobs and self-managed teams.
- Contingent reward systems (paying for innovative ideas, profit sharing and employee recognition programs).

One strength of this approach is that it is able to highlight that HRM practices can influence organisational performance independent of fit both internal and external. In other words, by being strategic about its HRM, a firm can increase its performance. However, Cappelli and Crocker-Hefter (1996) as cited in Armstrong (2007) has pointed out that the approach has been attacked by several scholars on the ground that it is an overstatement since there are examples in virtually every industry of firms that have distinctive management practices and distinctive HRM practices that shape the core competencies that determine how firms compete. Likewise, Purcell (1999) as cited in Armstrong (2007) has criticized the approach by pointing out the inconsistency between a belief in best practice and the resource-based view which focuses on intangible assets including HRM that allow the firm to do better than its competitors. However, in spite of this severe mauling by HRM scholars, the knowledge of best practice can inform decisions on what practices are more likely to fit the needs of the organization as long as it is understood why such are best practice. In addition, Becker and Gerhart (1996) as cited by Armstrong (2007) argue that the idea of best practice is helpful for identifying the principles underlying the choice of practices, as opposed to the practices themselves.

In order to determine the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre, the present study has adopted the universalistic model as discussed above. The choice of this model is based on its simplicity and directness in establishing the relationship between HRM practices and organizational performance (Guest et al, 2000). Secondly, a number of studies both in the private sector and non-profit sector have used the best practice model in determining the relationship between HRM practices and organizational performance (Alastrita and Arrowsmith, 2004; Chand and Katou, 2007; Parry and Kelliher, 2009). Thirdly, emerging research provides compelling support for the universalistic perspective (Hughes, 2002). For example, Guest et al (2000) argue that a series of cross-sectional studies confirm links between a set of high performance work place practices and a range of performance outcomes such as productivity, wastage and quality, labour turnover and financial performance. All this consistently lend support to the universalistic model.

2.3. HRM and Performance in the Profit Sector

In the profit-sector a number of studies have analysed the relationship between HRM practices and organizational performance. Michlitsch (2000) found that employees are critical to strategy implementation for business success and it is how a firm designs its HRM practices that determine organizational performance. He identified HRM practices such as rewards, selection and training, company culture, communication and information and a clear vision as leading to improvement in commitment as a dimension of performance. Wang and Shyu (2008) in studying Taiwan manufacturing firms, established a relationship between HRM strategy and labour productivity. They also found that the strategic fit between a firm's business and HRM strategy has a positive and direct impact on HRM effectiveness and labour productivity. In addition, they also found that an efficient HRM system can significantly improve labour productivity.

Significant progress has also been made linking innovative human resources practices such as systems of high performance work practices to organizational performance (Murphy and Southey, 2003). A number of advantages are purportedly realized as a result of adopting certain types of HRM practices. Among these performance outcomes are improved worker output, improved worker efficiency, reduced absenteeism, reduced layers of management, reduced incidences of grievances and in general higher productivity and product quality (Ichinowski, C. Kochan, T., Levine, D., Olson, C., and Strauss, G. (1996) as cited in Murphy and Southey (2003). At the same time, it has also been established that the dependent variable nature of performance is directly related to the four generic human resource processes of selection, appraisal, reward and training and development (O'Donnell and Gavaran, 2007).

Ueno (2008) also found a significant relationship between HRM practices and service quality in the service industry. However, the study also found that this was not the same in technological services. The major value of the paper is its ranking of managerial practices in terms of the contribution they make to support service quality, and the ability to find the differences between the two types of services. The study found that recruitment, training and team work have significant contribution to service quality as compared to empowerment, performance appraisal, communication and culture. However, the study's weakness is that while successfully able to rank HRM practices and their relative impact on service quality, it fails to provide reasons for those management practices which were found to be non-contributory to service quality.

Along similar lines, Chand and Katou (2007) while investigating the relationship between HRM practices and organizational performance in the Indian hotel industry found that performance is positively associated with hotel category and type of hotel (chain or individual). They also found that hotel performance was positively related to HRM systems of recruitment and selection, manpower planning, job design, training and development, quality circles and pay systems. The performance dimensions associated with the above HRM practices were sales growth, productivity, profitability, goal achievement and service quality. The major contribution of this paper to the present study is two-fold; first, it makes a modest attempt to add information to the scanty empirical knowledge available on the link between HRM practices and performance and secondly, the fact that it is done in a developing country provides parallels to the present study which is itself being done in a developing country, albeit in a different sector. Similarly, Pfeffer (1998) as cited in Torrington, Hall and Taylor, (2008) identified seven critical people management policies as being solidly linked to organizational performance. These people management policies emphase employment security, recruiting the right people, extensive use of self-managed teams and decentralization, reduced status differentials and sharing of information. In another study, Patterson et al (1997) cited in Torrington, et al, (2008) reported that HRM practices such as supervisory support, concern for employee welfare and employee responsibility directly affect profitability and productivity.

In the UK, Wood and de Menezes (1998) cited in Torrington, et al, (2008) identified a bundle of HRM practices which they termed high-commitment management practices which comprise recruitment and selection processes geared to selecting flexible and highly committed individuals, processes which reward commitment and training by promotion and job security, use of direct communication and teamwork. In the above studies, performance dimensions related to HRM practices were financial performance (profitability), productivity, reduced wastage, improved quality and labour turnover (Torrington, et al 2008).

Interestingly, another study examining the relationship between HRM practices and firm performance in Greek firms, using the universalistic approach, showed that HRM practices have a more significant influence on growth/innovation indices, as opposed to financial performance (Panayotopoulou and Papalexandris, 2007). The deviation of this study from conventional findings indicates some marked departures in the general consensus on the universalistic model and HRM practices and performance link. However, it is possible to explain this departure by the study's emphasis on the orientation of the HRM function using the competing values model.

Petrescu and Simmons (2008) studied the relationship between HRM practices and workers' overall job satisfaction and their satisfaction with pay in the general British industry. To investigate this, they used British data from the "Changing Employment Relationships, Employment Contracts, Future of Work Survey" and the "Workplace Employment Relations Survey." Specifically, the study found that workers enjoy on-going learning, job autonomy and working in teams. Close supervision of work was found to be disliked, but workers enjoy some visual assessment of their performance, suggesting that some monitoring is desirable. Furthermore, giving workers a "voice" through employee involvement schemes had a positive effect on job satisfaction and organizational performance.

However, for the above study, the above HRM effects are only significant for non-union members. The study further found that satisfaction with pay was higher where performance related pay and seniority-based reward systems were in place. A pay structure that was perceived to be unequal was associated with a substantial reduction in both non-union members' overall job satisfaction and their satisfaction with pay. In other words, although HRM practices can raise workers' job satisfaction, if workplace pay inequality widens, non-union members may experience reduced job satisfaction. The contribution of the study to the present research is that it has shown that HRM practices such training and development, job autonomy, team work and appraisal can raise workers' overall job satisfaction and their satisfaction with pay. In addition, the paper adds to the empirical literature on effects of HRM practices, focusing on its impact on both overall job satisfaction and satisfaction with pay. Although not directly discussing HRM in the non-profit sector, the study provides additional insight into pay dynamics in organisations. Since FBOs and the non-profit sector in general are known for low pay, the study also provides significant parallels in pay systems between the sector and its profit counterpart.

Studies on the impact of HRM practices on TQM have shown significant relationship between HRM and the service quality. Redman and Mathews (1998) found that HRM issues are central to the implementation of TQM, as a means of building commitment to service quality among all employees, managers and staff alike, and to provide a supportive environment for continuous improvement to take place. The strength of the study is that it is able to show that HRM has a role in an organisation's total quality management. However, the weakness of the study is that much of the work was based on anecdotal evidence, "snapshot" case studies and limited survey work (ibid) which would make wholesale application of such findings suspect.

Studies on HRM in Africa reveal significant parallels with studies done in other parts of the world. Okpara and Wynn (2008) examined the extent to which organizations in Nigeria use various HRM practices and the perceived challenges and prospects. The study was able to identify the existence of specific HRM practices such as training, recruitment, compensation, performance appraisal and reward systems. However, the study also revealed other contextual issues such as tribalism, HIV and AIDS and corruption as HRM challenges that needed to be addressed. Secondly, Azolukwan and Perkins (2009) while examining managerial opinion regarding HRM practices in Eastern Nigeria found that Nigerian HRM practitioners appear open to people management practices. However, rather than showing convergence with Western-inspired HRM approaches, evidence seemed to show that cultural and institutional contexts resulted in a blend of transplanted and indigenous managerial behaviour. In other words, HRM practices, while standardized, were also highly indigenized to reflect the local context. From another African country, Eritrea, Ghebregiorgis and Karsten (2007) examined employee reactions to HRM and performance. They found that employees had positive attitude to HRM practices, such as promotion from within, equal employment opportunity, quality of training, reasonable compensation and paid vacation and sick days. Moreover, evidence also shows that HRM practices led to increased productivity while employee turnover, absenteeism, and grievances were significantly reduced. The significance of the African studies stems from the fact that by exploring the impact of human resource challenges and prospects in Nigeria and Eritrea, they provide insights into the interaction between HRM practices and performance in other African countries like Malawi.

2.4. HRM and Performance in the Non-Profit Sector

Studies in the non-profit sector have revealed a relationship between HRM practices and organizational performance. Alastrita and Arrowsmith (2004) established that for many workers in the non-profit organisations, jobs are not secure, career development opportunities and pay are relatively low. As a result, labour turnover in the sector in the UK, which is often treated as a negative indicator of commitment to the organisation is 20% and rising. In addition, the study also showed the difficulty in improving employee commitment in the non-profit sector. Among the contributions of this research to the present study, first, is the citing of the reasons for the difficulty in managing employee commitment in the sector. Among the challenges is the fact that HRM interventions in the sector face particularly well-developed competing commitments. The study found that workers' first loyalties are to their colleagues and the service users; senior management tend to be viewed as a some-what distant and controlling *other* with its priorities. This, therefore, suggests that workers who have a negative attitude towards senior management will not embrace HRM initiatives and the opposite will be true for those workers who have a positive feeling towards management, although the later will often do so in terms of being better placed to put in practice their own values rather than directly increasing commitment to the organisation. Secondly, by showing employee commitment as directed to their colleagues and service users, the paper has provided alternative forms of employee commitment. Traditionally, employee commitment has been defined in terms of "attachment" and "loyalty" or worker identification with organisational goals measured by the intention to stay (Alastrita and Arrowsmith, 2004).

Parry and Kelliher (2009) also found that the non-profit sector especially the drug treatment services experiences resourcing challenges in recruitment and retention of staff. This challenge is a result of low wages and the lack of single status for staff. The effect of this is performance challenges for the sector. This challenge is compounded by the UK government's introduction of quality standards in management systems of organisations, including their HRM systems. Such standards qualify them for funding from the government.

This means that any failure to reach the government threshold would in effect result in failure to get government funding whose consequences is operational challenges. The strength of the research is its ability to bring out resourcing challenges in the non-profit sector especially in the drug treatment service sector in the UK which resonates with what is said about FBOs in Malawi. It has also successfully linked the resourcing challenges to a lack of well developed HRM practices in the sector, thereby showing a link between HRM practices and organizational performance. These findings agree with the assertion that people management traditionally takes a back seat in the non-profit sector (Parry, Kelliher, Mill and Tyson, 2005). A similar study on voluntary social services organisations staff turn-over (Eksogen, 2007) revealed operational challenges arising out of high staff turn-over due to low wages.

2.5. Evaluation of Literature

The above studies have made significant contribution to the understanding of the relationship between HRM practices and organizational performance and provided useful insights into the present study. However, it might be important to analyse the bases on which their conclusions are made and point out the necessary gaps that the present study can fill. There are presently three areas where the above literature can be evaluated. These are methodology, sample size and assumptions arising out of places the studies were conducted which might make the generalisation of their results in FBOs under study difficult. This is because apart from some of the studies using different HRM practices and Performance models other than the universalistic model, the methodology, sample sizes have also to meet the standard requirements before generalizations of their findings can be made (Saunders, Lewis and Thornhill, 2007)

First, on methodology, the way data collection was conducted in some of the studies had the possibility of giving way to methodological errors. For example, Chand and Katou's (2007) and Parry and Kelliher's (2009) assent to the existence of single respondent bias in their data collection. A single respondent from each organization provided information on HRM practices and perceived measures of organizational performance on the former while for the later the questionnaire was administered to only two people; managers and HRM professionals in the sample organisations. Given the margin of error arising out of a single or duo respondents in a firm, it would mean that any generalization of the study's results may have to be made with caution. It would be interesting to find out whether the same results could be obtained through a questionnaire administered to employees across the organisation's upper hierarchy in FBOs involved in HIV/AIDS work in Blantyre.

The other methodological challenge is that the sampling method in some of the studies were problematic making their result unique to the studies. For example, the sample in Chand and Katou's (2007) was drawn from the best performing hotels in India. While the result could be true of those hotels, it might be interesting to do a similar study to see if the same relationship exists between HRM practices and organizational performance in the FBO sector where the dimensions such as motivation are different. Similarly, Petrescu and Simmons (2008) in establishing their sampling frame used British Datasets. While the study's unit of analysis was workers identified through British datasets, and was therefore able to capture a wide selection of respondents from different sectors, its results were never meant to be generalized (ibid). This was partly because of the uniqueness of the study and also because of its methodology. It was particularly designed to develop a detailed, intensive knowledge about labour in the British industry. The present study's use of the universalistic approach to HRM practices and performance relationship makes it different and more so when its focus is on the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work in Blantyre.

Secondly, it can also be noticed that the sample size of some of the studies were too small to warrant generalization of their results. For example, Alastrista and Arrowsmith (2004) used a case study in order to determine employee commitment in the non-profit sector. Similarly, Parry and Kelliher (2009) while dealing with the non-profit sector in general concentrated on drug treatment services in the UK. While case studies do provide an in-depth analysis of an organization and can uncover some deep seated employee assumptions about the organization, the fact that organizational peculiarities exist make generalisations of case study findings difficult (Saunders et al, 2007) even if the studies are using the same model. This, therefore, makes it necessary to do another study on the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre using the universalistic model.

The last limitation of much of the above literature is the assumptions which arise because of the problem of place of study. It is clear from the discussion above that most of the studies on the relationship between HRM practices and organizational performance, with the exception of Chand and Katou (2007), which was done in India and Wang and Shyu (2008) in Taiwan, were undertaken in developed countries. In addition, most of the studies in Africa have concentrated on HRM in general with very little reference to the relationship between HRM and performance. It might be interesting to do a similar study in a developing country like Malawi to determine the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work. Further, by using the universalistic approach to HRM practices and performance relationship, the study not only adds to the little empirical knowledge of HRM practices and performance knowledge in Africa, but also tests the applicability of the universalistic model on the continent.

In conclusion, most of the literature on HRM and performance relationship suggests a strong link between HRM practices and organizational performance in both the profit and non-profit sectors. However, a significant number of the studies have methodological flaws in their data collection, have small sample sizes and were mostly conducted in developed countries. At the same time, no study has yet been conducted on the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre given the sector's influence and uniqueness in the fight against HIV and AIDS. This gap is what the present study attempts to fill.

2.6. Summary of Literature

The above literature generally agrees that there is a relationship between HRM practices and organizational performance both in the profit and non-profit organisations. However, while agreeing on this common assumption, the studies differ either on their ranking of the HRM practices and their effect on organizational performance (Ueno, 2008) or on the situational variables on the ground such as whether employees are unionized or not (Petrescu and Simmons, 2008) or whether the industry is in mass service or technological service (Ueno, 2008) or non-profit.

Secondly, the above literature presented several HRM practices that are related to organizational performance. Some of these HRM practices are pay systems, recruitment and selection, training and development, company culture, communication and information, a clear vision, appraisal, manpower planning, job design, (Chand and Katou, 2007; Michlitsch, 2000; Ueno, 2008; O'donnel and Garavan, 2007; Parry and Kelliher, 2009; Eksogen, 2007; Okpara and Wynn, 2008; Azolukwan and Perkins, 2009; Ghebregiorgis and Karsten, 2007), on-going learning, job autonomy, team work, visual assessment of performance, giving workers a 'voice' through employee involvement schemes (Petrescu and Simmons, 2008).

Other HRM policies emphasise employment security, extensive use of self-managed teams and decentralization, reduced status differentials and sharing of information, supervisory support, concern for employee welfare and employee responsibility (Torrington, et al, 2008).

Thirdly, several dimensions of performance outcomes have been discussed in the literature. These are labour productivity, reduced wastage and quality, labour turnover and financial performance, employee skills, improved worker output, improved worker efficiency, reduced absenteeism, reduced layers of management (as a result of increased employee responsibility), reduced incidences of grievances, higher productivity and product and service quality (Murphy and Southey, 2003; Guest et al, 2002; Michlitsch, 2000; Wang and Shyu, 2008; Ueno, 2008; Redman and Mathews, 2008; Ghebregiorgis and Karsten, 2007), sales growth, profitability, goal achievement (Chand and Katou, 2007), job satisfaction (Petrescu and Simmons, 2008) and commitment (Alastrita and Arrowsmith, 2004)

2.7. Chapter Summary

The chapter has discussed relevant literature on the relationship between HRM practices and organizational performance. It has discussed the various HRM practices and performance models and the relationship between HRM practices in both the profit and non-profit sector. Lastly, a summary and evaluation of the literature has been presented.

The next chapter will present the conceptual frame work. I will discuss the key variables of HRM practices and performance identified in the literature review, clarify their meaning, their various dimensions and how they are being measured in the study. The chapter will also define the organizational attributes that are used to check differences across FBOs.

CHAPTER 3: SELECTED HRM PRACTICES AND PERFORMANCE DIMENSIONS, A CONCEPTUAL ANALYSIS

3.1. Introduction

Chapter two above discussed relevant literature on the relationship between HRM practices and organizational performance. It discussed the various HRM practices and performance models and the relationship between HRM practices in both the profit and non-profit sector. It also presented an evaluation of the literature. In chapter three, key variables of HRM practices and performance identified in the literature review are discussed. It also attempts to clarify their meaning, their various dimensions and how they are being measured in the study. Finally, the chapter defines the organizational attributes that are used to check differences across FBOs.

3.2. HRM Practices

Chapter two identified several HRM practices linked to performance. Some of these practices are company culture, communication and information, a clear company vision, appraisal, training and development, recruitment and selection, manpower planning, job design, pay systems, on-going learning, job autonomy and team work, visual assessment of performance, employee involvement schemes (Chand and Katou, 2007; Michlitsch, 2000; Ueno, 2008; O'Donnel and Garavan, 2007; Parry and Kelliher, 2009; Eksogen, 2007; Okpara and Wynn, 2008; Ozolukwan and Perkins, 2009; Ghebregiorgis and Karsten, 2007; Eksogen, 2007).

Due to the diversity of the HRM dimensions from the existing literature, the present study examines HRM practices of recruitment and selection, training and development, pay systems and team work as independent variables. The choice of these HRM practices out of the existing bundle of practices is necessitated by two considerations. The first one is their recurrence in the literature (Chand and Katou, 2007; Michlitsch, 2000; Ueno, 2008; O'Donnel and Garavan, 2007; Parry and Kelliher, 2009; Eksogen, 2007; Okpara and Wynn, 2008; Ozolukwan and Perkins, 2009; Ghebregiorgis and Karsten, 2007; Eksogen, 2007). Secondly, the choice of these dimensions is due to their theoretical and empirical usefulness in HRM. The present study is assessing whether these HRM practices have any relationship with organizational performance in FBOs involved in HIV and AIDS work in Blantyre.

3.2.1. Recruitment and Selection

According to Armstrong, (2007) the aim of recruitment and selection is to obtain at minimum cost the number and quality of employees required to satisfy the resource needs of the firm. Ideally the process involves three stages, namely:

- Defining requirements - preparing job descriptions and specifications; deciding terms and conditions of employment.
- Attracting candidates - reviewing and evaluating alternative sources of applicants, outside and inside the firm, advertising, using agencies and consultants.
- Selecting candidates – sifting applicants, interviewing, testing, assessing candidates, offering employment, obtaining references and preparing contracts of employment.

From the above three-fold approach, it is evident that recruiting individuals to fill particular posts within a firm can be done either internally or externally. Selection consists of a range of processes involved in making sure that the job holder has the right skills, knowledge and attitudes required to help the organisation to achieve its objectives. Best practices in recruitment and selection encompass harmonized terms and conditions and clearly developed job descriptions and person specifications for each post, internal promotion norm, employment test criteria, and selection based on merit (Chand and Katou, 2007; Armstrong, 2007). This study assesses the existence of clearly written job descriptions and merit element in the selection process in FBOs involved in HIV and AIDS work in Blantyre. The choice of the two dimensions has been necessitated by their empirical usefulness in the recruitment and selection process. First, clearly written job descriptions help define the scope of the employees' work and make him or her contribute positively to organizational performance (Armstrong, 2007). Secondly, selection on merit helps the firm to get the best qualified personnel who can positively contribute to organizational performance. On a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree, perceived existence of two HRM practices is assessed.

3.2.2. Training and Development

Dessler (2007) defines training as methods used to give new or present employees the skill they need to perform their job. Harrison as cited in Armstrong (2007) has defined development as learning of any kind, whereby individuals and groups acquire enhanced knowledge, skills, values or behaviors. Its outcomes unfold through time, rather than immediately, and they tend to be long lasting. There is a general agreement that training and development increases productivity (Torrington et al, 2008). While training involves the use of systematic and planned instructional activities to promote learning, development is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skill, knowledge and competencies are acquired (Armstrong, 2007). Therefore, training and development is required to cover essential work-related skills, techniques and knowledge. It enables learning, facilitates meaningful personal development and helps employees to identify and achieve their own personal potential in the workplace. It comprises formal induction system, need-based training and development criteria and learning organization. This enhances organizational knowledge management and use so that the organization can achieve its objectives (ibid). This study is analysing the existence of employee induction and need based training and development in FBOs involved in HIV and AIDS work in Blantyre. These are important to the study because induction, which is orientation of new employees is critical to the integration of new recruits into the organization and its work processes. If the employee does not fit in early and easily his or her performance can be affected, which can then indirectly affect organizational performance. Need based training and development is fundamental because it facilitates meaningful personal development and helps employees to identify and achieve their own personal potential in the workplace (ibid) thereby improving organizational performance. These HRM practices are assessed on a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree.

3.2.3. Pay Systems

Pay systems are concerned with the formulation and implementation of strategy, whose purposes are to reward people fairly, equitably and consistently in accordance with their value to the organization, and thus help the organization achieve its goals (Armstrong, 2007). While the major focus of all pay systems is financial, employees also value intangible rewards, such as opportunities for development in terms of social life associated with working in communal settings, recognition from managers and colleagues for a job well done and a sense of personal achievement (Torrington, et al 2008). Studies on the criteria for determining pay and earnings differentials have found that equity is the distribution rule most commonly favoured for pay (Dickinson, 2006). This equitable distribution should be based on levels of contribution to the organization normally defined on the basis of educational attainment or occupational prestige (ibid), though other bases of equity are also applicable such as length of service or position in the organisation.

According to Armstrong, (2007) the reward philosophy of any organization is affected by the business and HRM strategy of the organization, the significance attached to reward matters by top management and the internal and external environment of the organization. The external environment can include levels of pay in the labour market (ibid) and the performance of the firm being the internal environment. Best practices in pay systems include staff being informed about pay in the labour market and the organisation's financial performance (ibid), merit element in pay package, non-financial incentives such as social appreciation and recognition, qualification pay and performance pay systems (Chand and Katou, 2007). Recently, the skills based compensation systems represent a departure from the traditional job-based system (Hughes, 2003). The skills-based compensation system aims at recognizing and paying for the skills, competency or knowledge necessary to complete the employees' assigned task. Petrescu and Simmons (2008) found a relationship between HRM practices and workers' overall job satisfaction and their satisfaction with pay. Their study further found that satisfaction with pay is higher where performance-related pay and seniority-based reward systems are in place. A pay structure that is perceived to be unequal is associated with a substantial reduction in overall job satisfaction. This study assesses the existence of an equitable pay structure based on qualification and rewards for good performance in the FBOs involved in HIV and AIDS work in Blantyre on a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree), 3 =neutral, 4 =agree and 5 =strongly agree. The choice of these two dimensions is based on their empirical significance in relation to performance (Petrescu and Simmons, 2008; Chand and Katou, 2007).

3.2.4. Team Work

Katzenbach and Smith (1993) as cited in Armstrong (2007) define a team as a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable. Work organisation using teamwork can refer to a wide range of possibilities such as quality circles, cross-functional teams, self-managing teams or virtual teams. Many employers provide teamwork with varying degrees of autonomy. The form of teamwork depends on task specificity. In the service sector, teamwork is seen as a means of supporting willingness to deliver service quality (Ueno 2008).

Macaulay and Cook (1995) have identified eight characters of an effective team:

- It is a supportive and cohesive group on the inside, which provides a seamless service on the outside. Everyone helps one another willingly to help the customer.

- It is a lively, positive place to be; morale and energy are obviously high.

- New ideas are readily coming forward and are listened to.

- There is a friendly atmosphere and people are open with one another and the customer.

- Information is willingly and freely shared and available.

- Everyone knows what they have to do and they have the confidence that comes from knowing how they are performing.

- Individuals take ownership and responsibility for customer issues.

- Team members work in a positive environment where personal development and contribution are recognized.

The above characteristics are also in agreement with Ingram's (1996) description of team-work. Ueno (2008) has given two advantages of team work. First, through support from team members, motivation for providing quality service is likely to continue and effective teamwork tends to develop capabilities for delivering a high level of service quality and achievement of organizational goals. Secondly, when effective, a team tends to develop employee commitment towards customer service and the capability of delivering a high level of service quality. On a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree, the present study assesses first whether the spirit of team work exists in the organizations and secondly whether the teams are functional indicated by the free-flow of information. The choice of the later dimension is necessitated by the fact that since communication is the glue that binds (Goldhaber, 1993 as cited in Beebe and Masterson, 1997), the presence of free-flow of information is a sign of the existence of functional teams.

3.3. Organisational Performance

In commercial organisations, performance is generally defined from the perspective of shareholders around the central focus of profitability and corresponding return on shareholders' equity (Cutt, 1998) or achievement of quantified objectives (Armstrong, 2007) such as sales growth, profitability, goal achievement and service quality (Chand and Katou, 2007). However, sometimes performance is not only what people achieve but how they achieve it (Armstrong, 2007). This means that the measurement of performance goes beyond quantifiable outcomes, but can include intangibles such as customer or worker satisfaction, quality and commitment. This understanding of performance is in tandem with the non-profit sector performance which is defined as an organisation’s actions, products, accomplishments, results, impacts, or achievements (Wang, 2009). An obvious differentiating factor in the above definitions is that while in the profit sector performance is more quantitative, in the non-profit sector it is more qualitative.

Several performances dimensions both for the profit and non-profit organisations and related to HRM practices have been identified through the literature review. Among these are productivity, reduced wastage, labour turnover and financial performance (Guest et al 2002), (improved) employee skills and commitment (Michlitsch, 2000), labour productivity (Wang and Shyu, 2008), improved worker output, improved worker efficiency, reduced absenteeism, reduced layers of management, reduced incidences of grievances, higher productivity and product quality (Murphy and Southey, 2003), service quality (Chand and Katou, 2007; Ueno, 2008; Redman and Mathews, 1998; Ozolukwan and Perkins, 2009), sales growth, profitability, goal achievement,(Chand and Katou, 2007), job satisfaction (Petrescu and Simmons, 2008), and commitment (Alastrita and Arrowsmith, 2004).

This study explores goal achievement, employee commitment and service quality as dependent variables. The choice of the above dimensions is necessitated by their empirical and theoretical importance in the literature. Goal achievement is basic to an organisation’s purpose of existence (Mistry, 2007), employee commitment ensures that the organisation’s goals are achieved (Alastrista and Arrowsmith, 2004; Chand and Katou, 2007) and service quality is critical if the end users are to appreciate the firm’s products or services (Ueno, 2008; CUAHA, 2009; Global Business Coalition, 2010). In the same way, the goal of the FBOs involved in HIV and AID work is to provide a service, through employees that are committed to the course. Therefore, from the discussion above, goal achievement, employee commitment and service quality are critical dimensions of performance in FBOs involved in HIV and AIDS work in Blantyre.

3.3.1. Goal Achievement

Synonymous with effectiveness, goal achievement involves the extent to which goals and objectives of the organisation are achieved (Cameron and Whetten, 1983, as cited in Mistry, 2007). Drucker (1977) as cited in Ingram, (1996) defines effectiveness/goal achievement as "doing the right things" and this relates to the outputs of the job and what people actually achieve. Kanter and Summers (1987) as cited in Mistry (2007) summarise non-profit effectiveness as 'doing well while doing good' measured through efficiency, accountability, quality assurance and impact. FBOs involved in HIV and AIDS work exist to prevent infection, provide care and mitigate the plight of those infected or affected by the pandemic. While the rest of the dimensions of goal achievement are applicable to FBOs under study, impact, which also means making a difference, best summarises what goal achievement is in FBOs involved in HIV and AIDS work. This is because impact is a broader concept and involves what an organization achieves for its beneficiaries in the longer term. Similarly, the effect of FBOs involved in HIV and AIDS work is often long term in nature. Therefore on a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree, the study assesses the extent to which employees in the FBOs involved in HIV and AIDS work perceive that their organization is achieving its goals by making a difference in the lives of its beneficiaries.

3.3.2. Employee commitment

Employee commitment as a measure of organizational performance can be defined as "attachment" and "loyalty" or worker identification with organisational goals measured by the intention to stay (Alastrista and Arrowsmith, 2004). Weiner (1982) as cited in Suliman and Iles (2000) has defined commitment as the totality of internalised normative pressures to act in a way which meets organizational goals and interests. The term is also defined as attachment and loyalty; the relative strength of the individual's identification with, and involvement in a particular organization (Porter, 1974 as cited in Armstrong, 2007). It consists of three factors such as a strong desire to remain a member of the organization, a strong belief in, and acceptance of the values and goals of the organization and a readiness to exert considerable effort on behalf of the organization. Salancik (1977) as cited in Armstrong (2007) has defined commitment as a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his own involvement. Three features of behaviour are important in binding individuals to their acts: the visibility of the acts, the extent to which the outcomes are irrevocable and the degree to which the person undertakes the action voluntarily.

The above definitions show that commitment involves the alignment of individual and organisational goals resulting in individual attachment to the organisation. This performance dimension is very critical to non-profit organisations and more so to FBOs involved in HIV and AIDS work. This is because by their very nature, FBOs are commitment based, because they arise out of faith-commitment. Secondly, like any other organisations in the service sector, their success depends on the social and technical skills of its personnel, their ingenuity and hard work (Chand and Katou, 2007). This is only possible if employees are committed to their work and align themselves with organizational goals and objectives. On a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree), 3 =neutral, 4 =agree and 5 =strongly agree, this study assesses employee commitment through an individual's intention to stay longer with the organisation.

3.3.3. Service Quality

Service quality is another dimension of performance. Quality is a multifaceted concept and can be viewed in many different ways. Davies, Baron, Gear and Read (1999) define quality as conformity to a measurable standard or conformity to customer requirement. In addition, Robledo (2001) defines service quality as the gap between customer expectation and their perception of the service. Ueno (2008) found strong correlation between management practices and service quality. The SERQUAL model developed by Parasuraman (2000) as cited in Ueno, (2008) and Robledo, (2001) has identified criteria by which customers or clients evaluate service quality based on tangibles, reliability, responsiveness, assurance and empathy. According to Robledo, (2001) the following are the meanings of the above service dimensions:

- Tangibles: The appearance of physical facilities, equipment, personnel and communication materials.

- Reliability: The ability to perform the promised service dependably and accurately.
- Responsiveness: The willingness to help customers and provide prompt service.
- Assurance: The competence of the system and its credibility in providing a courteous and secure service.
- Empathy: The approachability, ease of access and effort taken to understand customers' needs.

Since service quality is multi-dimensional in nature and cannot be exhausted in a single study, the present study assesses assurance as dimensions of service quality in FBOs involved in HIV and AIDS work in Blantyre. This dimension is critical to HIV and AIDS work because courtesy and secure service which can be collectively defined in terms of respect and confidentiality are the hallmarks of the work (CUAHA, 2009). Where HIV and AIDS clients are not sure of respect and their privacy in using a particular service provider, be it church or any independent FBO, they shun the service. It has even been observed that an HIV and AIDS workplace policy that lacks confidentiality erodes trust, morale, and productivity and can even lead to possible legal action (Global Business Coalition, 2010). This shows the importance of confidentiality as a dimension of service quality in HIV and AIDS work. This dimension is assessed on a Likert scale of 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree.

3.4. Organisational Attributes

FBOs involved in HIV and AIDS work are either local or international, have different ages and sizes of workforce. The respondents in the organisations also belong to different levels in the hierarchy. Such differences must be examined in order not to make sweeping generalisations across the FBOs when differences within the same group do exist.

Therefore, type is used to capture whether the FBO is local or international to be able to evaluate how international HRM policy could affect local HRM policies. Age is used to capture any founding values of the organisation. Older organisations are likely to have more developed HRM practices and policies than new organisations. Size is used to capture scale effects since large organisations may be more likely than small ones to have well developed HRM practices (Huselid, 1995 and Youndt etal 1996 cited in Chand and Katou 2007). The respondent's position in the organisation is used to check differences in perception of HRM practices and organisational performance across the organisation from the lower to senior management.

3.5. Chapter Summary

This chapter has discussed the various dimensions of the variables HRM practices and organisational performance and their measurement. Dimensions of HRM practices that have been discussed are recruitment and selection, training and development, pay systems and team work. Organisational performance dimensions discussed are goal achievement, employee commitment and service quality. Lastly, the chapter has discussed attributes of the organisations under study based on the type, age, size of FBO and position of the respondents in the organisation.

The next chapter discusses the research methodology used in the study. It will present the research philosophy, research approach, research strategy, data collection tool, the study sample, data analysis technique and limitations of study.

CHAPTER 4: RESEARCH METHODOLOGY

4.1. Introduction

Chapter three above discussed dimensions of HRM practices and organisational performance and their measurement. The HRM practices discussed are recruitment and selection, training and development, pay systems and team work. Organisational performance dimensions discussed are goal achievement, employee commitment and service quality. The chapter also discussed attributes of the organisations under study based on the type, age, size of FBO and position of the respondents in the organisation. The present chapter presents the research methodology. It discusses the research philosophy, research approach, research strategy, data collection tool, the study sample, data analysis technique and limitations of study.

4.2. Research Philosophy

This study took a positivist philosophy. Positivism as a research philosophy is scientific in nature and uses the scientific method in collecting, analysing and interpreting data (Saunders et al, 2007). This research philosophy is relevant to the present study because of two reasons. First, because positivism is objective, the data in the present study can be quantified and once quantified can be objectively measured in a value free way. Secondly being quantitative, positivism allows for the possibility of generalising the observation of the particular phenomenon to the whole population if the sample size is representative to the population (ibid). This would allow for easy generalisation of findings of this study to the population from which the sample was drawn. While generalisations are also possible in the phenomenological approach, the amount of subjectivity involved in phenomenology invites caution in making generalisations, except where the triangulation method has been employed.

4.3. Research Approach

There are two approaches to research, namely, the inductive and deductive approaches. The inductive approach, also known as bottom up approach, involves the development of a theory from general observation. In this approach, the researcher carries out specific observations and measures, detects patterns and regularities, and from these formulates some tentative hypotheses that can be explored. From these the researcher finally develops some general conclusions or theories (Gombachika, 2008; Saunders et al, 2007). On the other hand, the deductive approach is the inverse of the inductive approach in that it involves the drawing of meaning or implications from an already developed theory. This means that in the deductive approach , the researcher works from the "whole to the part" by analysing general theories and later identifying the implications of formulated hypotheses in specific cases.

The present study adopted the deductive approach. This is because models of HRM practices and performance relationship have been developed and tested (Chand and Katou, 2007; Hughes, 2002; Guest, 2000). In addition, the advantages of using the deductive approach are several. Among these are its ability to explain relationships between variables, it has controls to allow the testing of hypotheses, uses highly structured methodology to facilitate replication and is easily operationalised in such a way as to be able to measure facts quantitatively (Saunders et al, 2007). Along similar lines, the present study assessess the relationship between HRM practices and organisation performance in FBOs involved in HIV and AIDS by testing hypotheses through assessment of employee perception

4.4. Research Strategy

In terms of time frame, the research is cross-sectional as opposed to longitudinal. Cross-sectional approaches seek to describe the incidence of a phenomena or to explain how factors are related in different organisations (ibid). By examining the relationship between HRM practices and organisational performance in FBOs, the present study is trying to explain how factors such as HRM practices and performance are related in FBOs involved in HIV and AIDS work in Blantyre. The adoption of the cross-sectional approach has been facilitated by time constraints. With the nature of the study being part of an MBA assessment, a longitudinal survey would not be economically viable.

In addition, the study has adopted the survey strategy as opposed to other research strategies such as the experiment, case study, grounded theory and action research. The reasons for adopting this strategy are several. First, the survey is associated with the deductive approach (Gill and Johnson, 2002) and the present study is also deductive in that it is testing a theory. Secondly, according to Saunders et al, (2007) the advantage of using the survey method is that apart from being flexible, it provides for efficient collection of data over broad populations and is amenable to administration in person, by telephone, and over the internet, a wide range of information can also be collected and analysed using descriptive and inferential statistics. The advantages of using the survey are also being recognised by natural scientists who are increasingly using it to collect biomarkers (Schonlua, Reuter, Schupp, Montag, Weber, Dohmen, Siegel, Sunde, Wagner and Falk, 2010). Since the present study took the positivist approach and is invariably going to interpret its data quantitatively, the survey strategy is the best option for this study. Thirdly, the survey can easily be used to study attitudes, values, beliefs and past behaviour and data collected using survey strategy can be used to suggest possible reasons for particular relationship between variables (Saunders et al, 2007). In trying to establish the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work in Blantyre, this study assesses attitudes and perceptions and even past behavior in terms of employee perception of HRM practices and its influence on performance. This makes the present research strategy the most relevant to the present study.

4.5. Data Collection Tool

The data collection tool was the questionnaire. The reason for adopting this tool as opposed to other data collection tools such as interview is that a questionnaire is good for measuring attitudes and feelings (ibid). It is also flexible and inexpensive (Gombachika, 2008). The relevance of this tool to the present study is that it helped in collecting a lot of information on a single sheet of paper, and is inexpensive in that the researcher could send the questionnaire without having to be there. In the present study, the researcher delivered the questionnaire to one senior manager in the target FBOs who administered it to his management colleagues. Since this study was measuring employee perception on HRM practices and organisational performance and required flexibility and cost-effectiveness, any other data collection tool would not be the most valid.

The questionnaire had two parts, A and B. Part A which was gathering organisational data from the respondents had four items. These are, type of the organisation, to capture whether the FBO is local or international, age of the organisation to capture any founding values of the organisation, size of workforce to capture scale effects and the position of the respondent in the organisation to check differences in perception of HRM practices and organisational performance across levels of management.

Section B of the questionnaire had eleven questions. The first eight questions were assessing independent variable HRM practices through dimensions of recruitment and selection, training and development, pay system and team work. Each HRM dimension had two questions measured on a Likert scale ranging from 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree. This means that scores along the dimension determined the degree to which an organisation has such specific HRM practices.

The last three questions measured the dependent variable performance through dimensions of goal achievement, employee commitment and service quality. These questions were measured on a Likert scale ranging from 1 to 5 where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree. The questions assessed the degree to which an individual perceives that their organisation is achieving its goals, the degree of their commitment to the organisation and the degree of service quality rendered by the organisation.

4.6. The Study Sample

The unit of analysis for this study were FBOs involved in HIV and AIDS work in Blantyre. Blantyre FBOs were chosen because of their strategic position. Most of the FBOs working in Blantyre have their branches in many parts of Southern Region and beyond. Therefore studying FBOs based in Blantyre was meant to provide a broader overview of HRM practices in FBOs involved in HIV and AIDS work in the Southern Region of Malawi and beyond. Secondly, Blantyre was chosen for purposes of convenience since the researcher is a Blantyre resident. The sampling frame from which the participating organisations were drawn was the 2008 CONGOMA directory under the HIV and AIDS section. From a list of 183 organisations registered with CONGOMA under HIV and AIDS work country wide, 29 FBOs working in Blantyre were identified. Of the 29 FBOs identified, 18 were local in nature while 11 were international representing a 63% and 37 % distribution respectively.

Out of the 29 FBO's working in Blantyre, 14 FBOs working in HIV and AIDS were randomly selected to participate in the study; 9 from local FBO's and 5 from international FBOs based on an approximate ratio of their percentage representation. The number 14 was arrived at as an approximate half of the total population of FBOs working in HIV and AIDS in Blantyre. The total population of employees in management (both lower and senior) in the sampled organisations was 164. This figure was arrived at by adding up the number of managers for each organisation in the directory (CONGOMA, 2008). The distribution of the sample in terms of lower and senior management was not provided by the directory. In order to come up with the sample size, Decision Analyst STATS 2.0, a stastistical sampling tool was used with the results as below.

Table 4.1: Decision Analyst Results

Universe Size	164
Maximum Acceptance % Points	5%
Estimated Percentage Level	50%
Desired Confidence Level	95%
Sample Size	115

The questionnaire was administered to employees randomly selected from lower and senior level management in the organisations. The determination of seniority was made by the management of the sampled organisations who administered the questionnaire within their organisation.

The questionnaire was pre-tested on three lower and senior management staff of two FBOs before being administered to all of the respondents. In order to improve the response rate, the respondents anonymously responded to the questionnaire. Of the 115 questionnaires that were sent out 68 usable questionnaires were received, representing a response rate of 59 %. This response rate is above average in the HRM and performance studies with higher response rates going as far as 45.4% (Panayotopoulou and Papalexandris, 2004) and 52% (Chand and Katou, 2007)

4.7. Data Analysis

The data collected was analysed quantitatively using the Statistical Package for Social Science (SPSS), a Microsoft statistical tool used to measure statistical relationship between variables. The SPSS can be used to make both descriptive and inferential analysis. When the data was collected descriptive analysis of the study sample by organisational type, age, size, and position in the organisation was made through tables to show the distribution of the surveyed FBO's. The same was done for the independent variable HRM practices and dependent variable performance. Where appropriate, depending on the significance of results, further analysis using Cross-tabulation and Chi-square was used to determine the statistical significance of the relationship between HRM practices and some organisational attributes such as age and type. This was used to check variations of HRM practices across FBO's. Pearson Chi Square was chosen because of its ability to determine whether a relationship observed in a contingency table (cross tabulation) is statistically significant.

Before measuring the relationship between HRM practices and performance, a validity test using Cronbach's alpha co-efficient was conducted in order to measure the internal consistency of the performance scale. This was done because while HRM practices and their dimension exit in literature, the performance dimensions in FBO's represent significant departures in general performance measures. This, therefore, warranted the need to measure the reliability of the measurement scale. Later, an examination of the relationship between dependent variable HRM practices and independent variable performance was done using Spearman correlation analysis, a non parametric test in SPSS. This test was preferred because of its suitability for measuring the degree of association between the two variables in categorical data, data that is ranked or measured by descriptive terms rather than by numerical values (Saunders et al, 2007; Wikipedia, 2010). The data in this study is also categorical in nature, the values of the Likert scale acting as labels for the categories.

4.8. Limitations of Study

The recent economic crisis hit the voluntary hard, (Greeenberg, 2008) including those FBOs involved in HIV/AIDS work. In Malawi, a good number of FBOs had to either scale down their operations or reduce salaries of their employees. In some cases employees had to go without pay for months. The effect of this phenomenon could have significant influence on employee perception of an organisation's HRM policy and its effects on performance. This has the possibility of affecting respondents' psychology and could affect the results. However, by getting the data across upper and lower levels of management in the organizations, who were affected differently by the crisis, such limitations have been counter-balanced.

4.9. Ethical Considerations

In order for the study to meet the guidelines set by the National Research Council of Malawi for conducting research with humans, the following ethical standards were emphasized:

First, informed consent from the participants was sought. In order to ensure informed consent, the questionnaire clearly stated the purpose of the study and the amount of time it would take to fill the questionnaire.

Secondly, in order to ensure the confidentiality of the participants, the respondents were asked to fill the questionnaire anonymously.

4.10. Chapter Summary

The chapter has discussed the research methodology. It has looked at research philosophy, research approach, research strategy, data collection tool, the study sample, data analysis technique and limitations of study.

The next chapter will present the analysis and discussion of results using both descriptive and inferential statistics.

CHAPTER 5: ANALYSIS AND DISCUSSION OF RESULTS

5.1. Introduction

In the last chapter the research methodology was discussed by looking at the research philosophy, research approach, research strategy, data collection tool, the study sample, data analysis technique and limitations of study. This chapter now presents the analysis and discussion of results of the study in two forms, descriptive and inferential statistics. Using tables and graphs, the descriptive statistics describe, summarise and explain the sample data. Similarly, using tables, inferential statistics make inferences about the characteristics of the population based on the sample. Structurally, the chapter will discuss the description of the study sample, HRM practices in FBOs, variations of HRM practices across organisational attributes, performance in FBOs and the relationship between HRM practices and organisational performance in FBOs.

5.2. Description of Study Sample

Table 5.1 shows the frequency distribution of the study sample in terms of type, age, size and position of respondent in the FBOs.

Table 5.1: Description of Study Sample

	Frequency	**Valid Percentage**
Type of FBO		
Local	41	60
International	27	40
n=68		
Age of FBO		
1-6 yrs	25	37
7-10 yr +	43	63
n=68		
Size of FBO		
<=10 -20	29	43
21-41+	37	57
n =66		
Position in FBO		
Lower Management	33	50
Senior Management	33	50
n= 66		

5.2.1. Type of FBO

Table 5.1 shows that the distribution of local and international FBOs involved in HIV and AIDS work in the sampled FBOs is 60% and 40% respectively. The 60% local FBO presence in HIV and AIDS work indicates a significant level of local initiative in the fight against HIV and AIDS. It also means that more local Malawians are being employed in this work. This is because these local FBOs are either church based or the initiatives of faith leaders. They normally start with little or no tangible financial base and therefore cannot afford to recruit expatriate staff. This makes the workforce composition of these organisations largely local. Where expatriates are involved, it is only a result of partnerships which often develop later. For international FBOs, a significant presence of expatriates occupy strategic positions. The practical implications of having 60% of FBO intervention local means there is a need to develop HRM practices that can enhance the effectiveness and sustainability of FBOs involved in HIV and AIDS in Malawi. This is in view of poor management structures and the resultant resourcing challenges among FBOs (CHAM, 2003; Saddiq, 2009).

5.2.2. Age of FBO

Table 5.1 shows that 63 % of the sampled FBOs are between 7 -10+ years old. This suggests that the FBO intervention in the HIV and AIDs sector has been there for some time. Age is often associated with learning since an organisation is able to discover what is effective by reframing its own experiences and learning from that process (Armstrong, 2007). This suggests that older FBOs should have more developed HRM practices than younger ones, which should correspondingly influence the performance of the organisations (Huselid, 1995 and Youndt et al, 1996 as cited in Chand and Katou, 2007)

5.2.3. Size of FBO and Position of Respondents in the FBO

Table 5.1 shows the distribution of the workforce in the FBOs. The table shows that 43% of the FBO's are relatively small, with a workforce of between <10 and 21, while 57% of the respondents come from FBOs with a workforce of 21-41+ . This shows that the majority of the sampled FBOs range from medium size to large. Huselid, (1995) and Youndt et al (1996) as cited in Chand and Katou (2007) have shown that size of work-force can influence the development of HRM practices.

In terms of position of respondents in the organisation, Table 5.1 summarises the response pattern. Of the 68 questionnaires received, only 66 of the respondents marked their position in the organisation. The distribution of the respondents in terms of position in the organisation was 33 for senior and lower management respectively representing a 50 % distribution between senior and lower management. This only reflects the pattern of response in the sampled FBOs and does not in any way reflect the distribution of senior and lower management in the FBOs.

5.3. HRM Practices in FBOs

The study is assessing the relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre. The HRM practices under consideration are written job descriptions, merit based selection, formal induction of new employees, need based training and development, qualification pay, performance pay, team work and free-flow of information. Table 5.2 below summarises the responses on HRM practices that exist in FBOs involved in HIV and AIDS work in Blantyre.

Table 5.2: HRM Practices in FBOs

HRM Practice	Agree	Disagree	Neutral
Written Job Descriptions	59%	9%	32%
Merit in Selection	58%	24%	18%
Employee Induction	95%	2%	3%
Training and Development	62%	6%	32%
Qualification Pay	37%	22%	41%
Performance Pay	41%	9%	50%
Team Work	84%	4%	12%
Free-flow of Information	35%	26%	39%
N=68			

5.3.1. Written Job Descriptions

Table 5.2 shows the distribution of respondents on written job descriptions in the sampled FBOs. The results show that the majority of the sampled FBOs agreed with the existence of written job descriptions in their organisations. However, 32% were neutral on whether their organizations have written job descriptions. This implies that the realization of the importance of written job descriptions is a significant challenge in nearly a third of the FBOs. Written job descriptions spell out exactly what a job holder is expected to do and therefore clearly define the scope of the job (Armstrong, 2007). Where job descriptions are not clearly defined, it results in role ambiguity which can also be a source of stress (Mullins, 2007). Where employees are stressed, one cannot expect them to perform very well. This shows the importance of written job descriptions.

5.3.2. Selection Based on Merit

Table 5.2 shows the pattern of responses on the merit element in the selection process in the FBOs under study. The result shows that 58 % of the respondents agreed with the existence of merit in the selection process. This contradicts earlier studies by CHAM (2003) which found selection in FBOs to be mostly based on relationship and trust. However, it is also possible to argue that the results of the CHAM study can still be true but to the respondents "relationship and trust" has itself become merit as other studies in Nigeria have confirmed that sometimes tribalism can become a norm in selection (Okpara and Wynn, 2008).

5.3.3. Employee Induction

Table 5.2 shows the response pattern on the presence of formal induction of new employees in the FBOs under study. The result shows that 95% of the respondents from the FBOs agreed with the existence of formal induction in their organisations. This result serves to indicate that the majority of the sampled FBOs understand the value of induction. Formal induction enables new employees to adjust to their new jobs and organizational environment and helps them become fully integrated into their work teams or groups and to prevent high incidences of early leavers (Cornelius, 2001). Research has shown that many new employees face an "induction crisis" in their first six weeks of joining a new organization and that turnover rates of new starters are very high during these weeks. The causes of early leaving can arise from the gap between the official and unofficial expectations of the employer and the expectations of the employee. Where perceptions gained during the induction do not fit with the organization's official and/or unofficial requirements, the new recruit either leaves or stays but is not committed (ibid). This shows the importance of formal induction of new employees.

5.3.4. Training and Development

Table 5.2 shows the distribution of the respondents on need based training and development in the FBOs under study. The result indicates that 62% of the respondents agreed that need based training and development exists in the FBOs. One possible explanation for this scenario is that the local FBO community is a developing sector and therefore attracts a lot of training opportunities from donors. Since 60% of the FBOs are local, this might explain the higher response rate.

5.3.5. Qualification and Performance Pay Systems

Table 5.2 shows the distribution of respondents on qualification pay system in the sampled FBOs. The general observation is that the majority of the respondents (41%) from the sampled FBOs were neutral. This suggests lack of a clearly defined qualification pay structure in the FBOs. This is not a surprising result since in most FBOs recruitment is based on relationship and trust (CHAM, 2003), and therefore qualifications do not matter.

On whether employees are awarded for good performance, Table 5.2 shows that 50% of the respondents from the sampled FBOs were neutral. The large number of neutral respondents again suggests lack of a clearly defined performance pay structure in the FBOs. While performance related pay exists as evidenced by the 41% agreement, it is either not clearly defined or its application is haphazard and perhaps corresponds to relationships in the organisations. According to Adams (1965) as cited in Torrington et al, (2008) a key determinant of satisfaction at work is the extent to which employees judge pay levels and pay increases to be distributed fairly. Inconsistencies in pay can create feelings of perceived inequalities in payment matters and can be highly damaging to an organisation (Torrington et al, 2008). Inequalities in payment systems can result in dissatisfaction which leads to absenteeism, voluntary turn over, on-the-job-shirking and low trust employee relations.

5.3.6. Team Work

Table 5.2 shows the distribution of respondents on the existence of team work in the sampled FBOs. The result shows that 84% of the respondents agreed with the existence of team work. The results agree with a recent study by the Institute for Employment Studies which suggested a growth in team working arrangements with 40% of employers introducing initiatives for team working (Cornelius, 2001). One driving force behind this, according to the study, was the fact that with flatter hierarchies in organisations, self managed teams fit well with a line management structure where spans of control are wider and managers find it more difficult to monitor and control the tasks for subordinates. The same trend is evidently discernible in the FBOs under study.

5.3.7. Free-flow of Information

Table 5.2 shows the response pattern on free-flow of information in the sampled FBOs. The results show that 39% of the respondents were neutral on free-flow of information in the FBOs under study. This scenario suggests that the majority of the FBOs under study are yet to appreciate the importance of free-flow of information as an element of effective team work (Macaulay and Cook, 1995). In some cases this lack of free-flow of information can be explained by the founder mentality in FBOs which makes the founder of the FBO the center of the organisation, with the rest of staff as mere "boys" in the system.

In summary, the above analysis shows that HRM practices exist to varying degrees in the FBOs under study. While some HRM practices such induction and team work are more prevalent in the FBOs, others such as qualification pay, performance pay and free-flow of information are not clearly defined. This is evident from the higher number of neutral respondents on these HRM practices.

5.4. Variations of HRM Practices across Organisational Attributes

One objective of this study was to identify if there are any variations of HRM practices across organizational attributes. Further analysis of the results using cross-tabulation revealed significant variations of HRM practices across type and age of FBO. The Chi-square value of these results was also found to be statistically significant.

5.4.1. HRM Practices across Type of FBO

Type was one of the organizational attributes used to check differences in HRM practices adoption in local and international FBOs. The HRM practices under study were cross-tabulated with type of FBO. The results are summarized in the tables and graphs below.

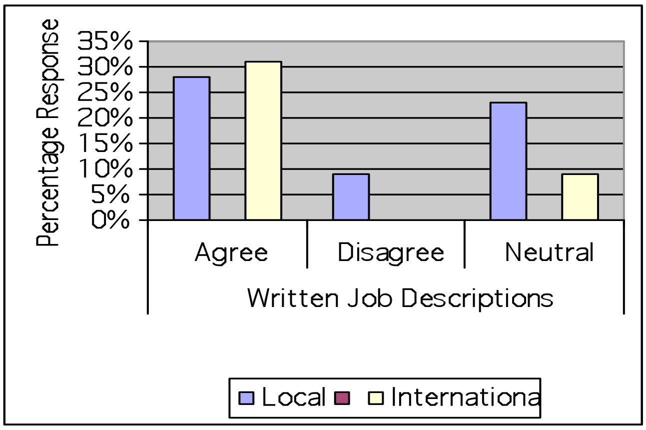

Figure 5.1. Type of FBO and Written Job Descriptions Cross-Tabulation

On written job descriptions, Figure 5.1 shows that 31% of the respondents from international FBOs agreed with the existence of written job descriptions than only 28% from local FBOs. The Chi-square value of written job descriptions and type of FBO cross-tabulation was significant [x^2 (df =3, N = 68) = 9.243, p<0.05]. This indicates the well developed nature of HRM systems in international FBOs (Ferris, 2005) than in their local counterparts.

Table 5.3: Type of FBO and Merit in Selection Cross-tabulation

Type of FBO	**Merit in Selection**		
	Agree	**Disagree**	**Neutral**
Local	32%	12%	15%
International	26%	12%	3%
N=68	40	16	12

Table 5.3 shows that 32% and 26% of respondents from local and international FBOs respectively agreed with the presence of merit in the selection process. The Chi-square value of merit in selection and type of FBO cross-tabulation was significant [x^2 (df =4, N = 68) = 17.492, p<0.05]. This shows that there is more merit selection in local FBOs than in international FBOs. This contradicts earlier studies by CHAM (2003) which found that selection in FBO's to be mostly based on relationships and trust. However, it is also possible to argue that the results of the CHAM study can still be true but to the respondents "relationship and trust" has itself become merit. This is true since certain institutional malpractices when entrenched can take a life of their own and become normative, especially

for their beneficiaries. This assertion is supported by Okpara and Wynn's (2008) study which found entrenched tribalism to be among the HRM challenges in Nigeria.

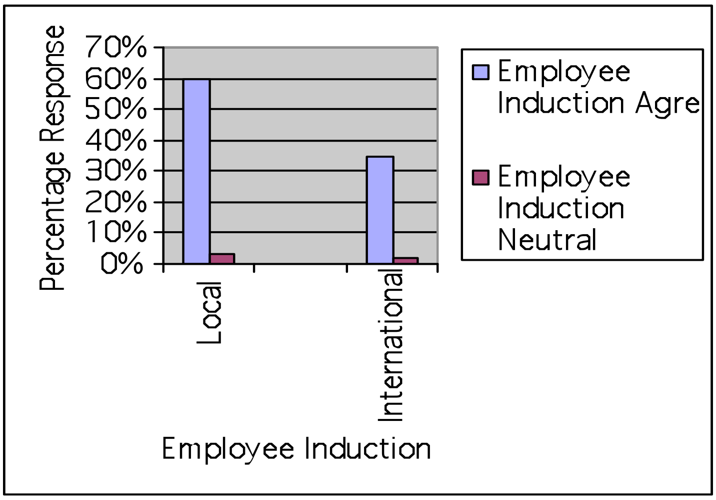

Figure 5.2: Type of FBO and Employee Induction Cross-Tabulation

Figure 5.2 shows that more local FBOs agreed with the existence of induction in their organisations at 60% than international FBOs at 35%. The Chi-square value of employee induction and type of FBO cross-tabulation was significant [x^2 (df =3, N = 68) = 8.840, $p<0.05$]. This shows that induction is more prevalent in local than in international FBOs. A possible explanation for this result is that international FBOs recruit more qualified and experienced staff who do not normally need rigorous induction. This would not always be true for local FBOs as evidenced by studies done by CHAM (2003) and Saddiq (2009). Therefore, the later is more likely to require more significant induction of its new employees than the former.

Table 5.4: Type of FBO and Training and Development Cross-tabulation

Type of FBO	**Training and Development**		
	Agree	**Disagree**	**Neutral**
Local	38%	3%	19%
International	24%	3%	13%
N=68	42	4	22

Table 5.4 show that more local FBOs (38%) agreed that need based training and development

exist in their organizations than international FBOs which registered 24 % agreement. The Chi-square value of training and development and type of FBO cross-tabulation was significant [x^2 (df = 3, N = 68) = 15.312, p<0.05]. This shows that there is more training and development in local FBOs than in international FBOs. One possible explanation for this scenario is that the local FBO community is a developing sector and therefore attracts a lot of training opportunities from donors, hence the higher response rate.

Table 5.5: Type of FBO and Qualification Pay Cross-tabulation

Type of FBO	**Qualification Pay**		
	Agree	**Disagree**	**Neutral**
Local	16%	13%	31%
International	21%	9%	10%
N=68	25	15	28

On qualification pay, Table 5.5 shows that 31% of the respondents from local FBOs were neutral while only 10% were from international FBOs. The result also showed more agree in international FBO's (21%) than in local FBOs (16%). The Chi-square value of qualification pay and type of FBO cross-tabulation was significant [x^2 (df =, N =68) = 17.118, p<0.05]. This suggests more developed qualification pay structures in international FBOs and a lack of clearly defined pay structure in local FBOs. The later is not a surprising result since in most FBOs recruitment is based on relationship and trust (CHAM, 2003), and therefore qualifications do not matter. What matters is the relationship with top management which effectively determines the pay structure in the organisations.

Table 5.6: Type of FBO and Performance Pay Cross-tabulation

Type of FBO	**Performance Pay**		
	Agree	**Disagree**	**Neutral**
Local	25%	6%	29%
International	16%	3%	21%
N=68	28	6	34

Table 5.6 shows that more local FBOs showed more neutrality on performance pay (29%)

than international FBOs (21%). The Chi-square value of performance pay and type of FBO cross-tabulation was significant [x^2 (df = 3, N = 68) = 24.8, p<0.05]. The large number of neutral respondents in local FBOs suggests lack of a clearly defined performance pay structure in the later. While performance related pay exists in the FBOs as evidenced by the 25% agreement as opposed to 16% international, it is either not clearly defined or its application is haphazard and probably corresponds to relationships in the FBOs. This shows that pay inequalities are entrenched in FBOs, more so in local FBOs.

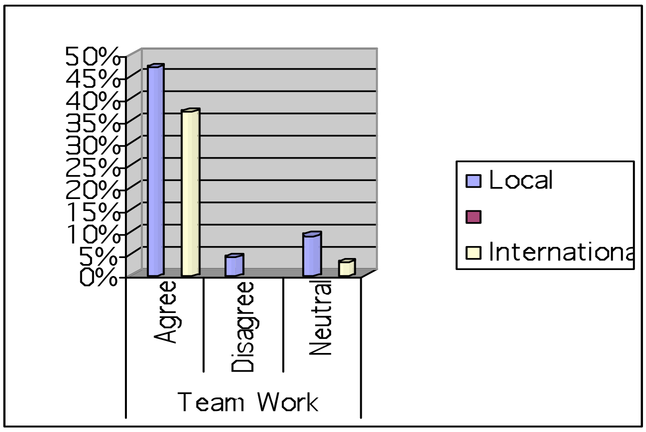

Figure 5.3. Type of FBO and Performance Pay Cross-Tabulation

Figure 5.3 shows that more local FBOs agreed with the existence of team work than international FBOs at 47% and 37% respectively. The Chi-square value of team work and type of FBO cross-tabulation was significant [x^2 (df = 3, N = 68) = 14.778, p<0.05]. The 47% response from local FBO's than 37% from international FBO's can be explained by the possibility of skills difference in the two FBO types. Where skill levels are low, team work is normally the likely means of job design in order to create synergy within the work processes. If local FBOs are known for recruiting on relationship and trust, it is inevitable that skills levels would be low. This would explain the higher prevalence of team work in local FBOs. In addition, cultural differences could also explain this variation. Culturally, Africans have a communal approach to life and work. This cultural orientation provides a fertile ground for team work. The opposite could be true for Western cultural orientation, where the communal spirit is a challenge and has to be cultivated by strategic HRM policies and practices.

Table 5.7: Type of FBO and Free-flow of Information Cross-tabulation

Type of FBO	**Free-flow of Information**		
	Agree	**Disagree**	**Neutral**
Local	21%	18%	21%
International	15%	9%	16%
N=68	25	18	25

Table 5.7 shows that more local FBOs at 15% agreed with the existence of free-flow of information than international FBOs at 10%. The Chi-square value of free-flow of information and type of FBO cross-tabulation was significant [x^2 (df = 3, N = 68) = 15.625, $p<0.05$]. While the higher number of neutral respondents can be explained by the founder mentality in local FBOs which makes the founder of the FBO the center of the organisation, with the rest of staff regarded as "mere boys" in the system, the higher number of agreement in the same can be explained by the significant use of the grapevine in local FBOs which facilitates informal information flow than the formal communication structure in international FBOs. This means that although free flow of information is generally a challenge in FBOs, employees in local FBOs still enjoy information flow through informal communication. This explains the higher response rate in local FBOs.

In summary, the above analysis has shown that there are significant variations of HRM practices in relation to type of FBO. While certain HRM practices such as induction, training and development and team work are more prevalent in local FBOs, other HRM practices such as written job descriptions and qualification pay are more prevalent in international FBOs.

5.4.2. HRM Practices across Age of FBO

Age was one of the organizational attributes used to check differences across FBOs. The HRM practices under study were cross-tabulated with type of FBO. The results are summarized in the tables and graphs below.

Table 5.8: Age of FBO and Written Job Descriptions Cross-tabulation

Age of FBO	Written Job Descriptions		
	Agree	Disagree	Neutral
1-6yrs	34%	%	3%
7-10+yrs	41%	3%	19%
N=68	50	3	15

Table 5.8 shows that older organisations registered a 41% agreement with written job descriptions in their organizations than 34% from younger FBOs. The Chi-square value of written job descriptions and age of FBO cross-tabulation was significant [x^2 (df = 9, N = 68) = 24.882, $p<0.05$]. This implies that the realization of the importance of written job descriptions which is to spell out exactly what a job holder is expected to do and therefore clearly define the scope of the job (Armstrong, 2007) comes with age. The present set up in the FBOs where younger FBOs have less written job descriptions can be explained by the relational factor in the employment process. If identification and selection of employees is through relationships (CHAM, 2003), then the development of specific guidelines for recruitment and selection becomes secondary. However, with time job descriptions are developed as part of organizational learning.

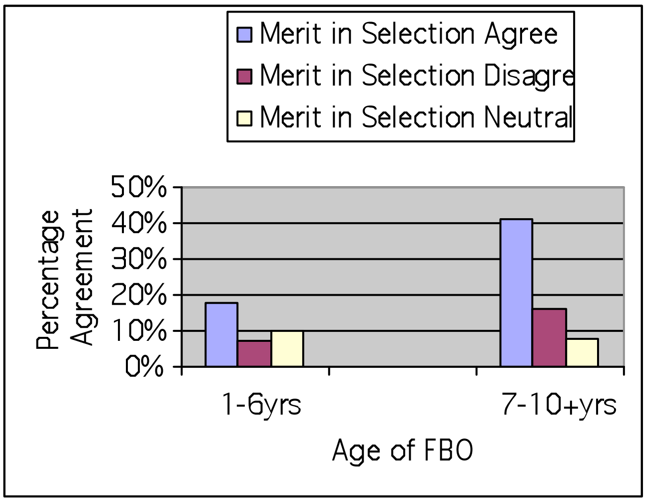

Figure 5.4: Age of FBO and Merit in Selection Cross-Tabulation

Figure 5.4 shows that older FBOs registered significant agreement (41%) with merit in the selection process than younger organizations (18%). In addition, the Chi-square value of merit in selection and age of FBO cross-tabulation was significant [x^2 (df = 12, N = 68) = 22.637, p<0.05]. This shows that there is a relationship between the age of FBO and selection based on merit. The result is supported by a CHAM (2003) study which found that most local FBO's recruit based on relationships and trust. This means that with time the FBOs are likely to have well developed recruitment and selection processes that ensures that employees are selected on merit. This again agrees with the assertion that the older the organization, the more developed its HRM systems as made by Huselid (1995) and Youndt et al (1996) as cited in Chand and Katou, (2007). The reason for this realization is often related to the learning curve. Older organisations are more likely to learn the cost of not selecting the best employees from experience. This experience helps them develop professional guidelines of recruitment and selection, which in the end introduces objectivity in the selection process.

Table 5.9: Age of FBO and Employee Induction Cross-tabulation

Age of FBO	**Employee Induction**	
	Agree	**Neutral**
1-6yrs	34%	3%
7-10+yrs	60%	3%
N=68	64	4

Table 5.9 shows that 60% of the respondents from older FBOs agreed with the presence of induction of new employees than 34% from their younger counterparts. In addition, the Chi-square value of employee induction and age of FBO cross-tabulation was significant [x^2 (df = 9, N = 68) = 11.225, p<0.05]. One possible explanation for this trend is the well developed HRM systems for older organisations. This is supported by the findings of Huselid (1995) and Youndt et al (1996) as cited in Chand and Katou, (2007). This shows that there is a relationship between the age of FBO and formal induction of employees.

Table 5.10: Age of FBO and Training and Development Cross-tabulation

Age of FBO	**Training and Development**		
	Agree	**Disagree**	**Neutral**
1-6yrs	21%	3%	13%
7-10+yrs	41%	3%	19%
N=68	42	4	22

Table 5.10 shows that 41% of the respondents from older FBOs agreed with the presence of need based training and development as opposed to 21% from younger FBOs. In addition, the Chi-square value of training and development and age of FBO cross-tabulation was significant [x^2 (df =12, N = 68) = 18.898, p<0.05]. This indicates that older FBOs have more developed training and development programmes than younger ones. One possible explanation for this is that most of the training and development programmes, especially in local FBOs is facilitated by external stakeholders or donors such as Malawi Interfaith Aids Association (MIAA), National AIDS Commission (NAC) and other international donors such as Tear Fund. For younger organisations, it takes time before they are accredited and become eligible for funding. This could explain the absence of training in younger organisations. For the older FBOs, these training programmes come as part of the funding process. This helps meet the training and development needs of the FBOs. However, the shortfall of such training programmes is that they concentrate on the financial and technical side of the HIV and AIDS work than on the internal management processes such as human resources management.

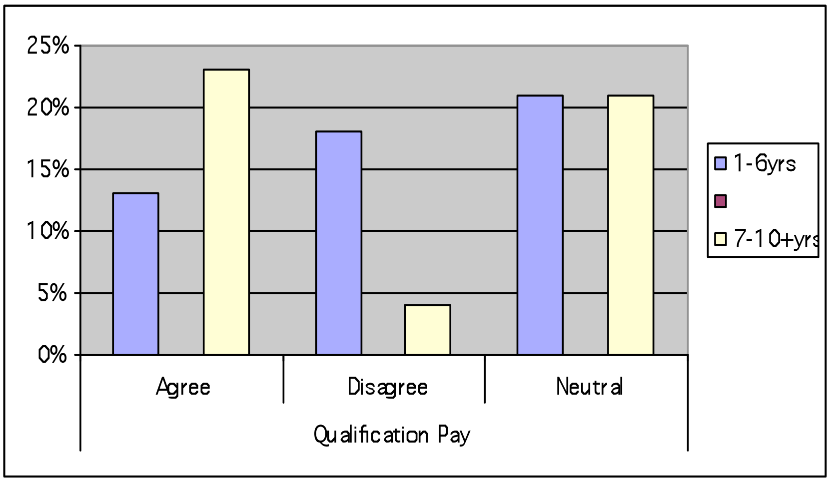

Figure 5.5: Age of FBO and Qualification Pay Cross-tabulation

Table 5.11: Age of FBO and Performance Pay Cross-tabulation

Age of FBO	**Performance Pay**		
	Agree	**Disagree**	**Neutral**
1-6yrs	4%	4%	28%
7-10+yrs	38%	4%	22%
N=68	28	6	34

Figure 5.5 and Table 5.11 summarise the results of qualification and performance pay and age of FBO cross-tabulation. On qualification pay, 23% of the respondents from older FBOs agreed with the presence of qualification pay in their organizations than only 13% from younger FBOs. Further, more respondents from older FBOs at 38% agreed with the existence of performance pay than those from younger FBOs at 4%. The Chi-square values of qualification and performance pay and age of FBO cross-tabulation were respectively significant [x^2 (df = 12, N = 68) = 31.534, p<0.05]; [x^2 (df = 9, N =68) = 19.205, p<0.05]. The statistical significance of these performance variables can be explained by the "relationship and trust basis" of recruitment in most FBOs (CHAM, 2003) which makes the pay to be determined by the relationship to management than qualification or performance. This would normally change with the age of the FBO as more controls are introduced as part

of external constraints that come with the requirements for external funding.

Table 5.12: Age of FBO and Team Work Cross-tabulation

Age of FBO	Team Work		
	Agree	Disagree	Neutral
1-6yrs	26%	3%	4%
7-10+yrs	58%	1%	8%
N=68	57	3	8

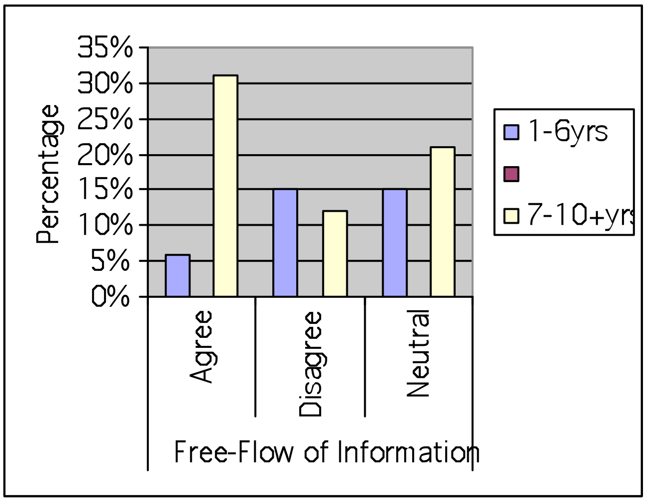

Figure 5.6: Age of FBO and Free-flow of Information Cross-tabulation

Table 5.12 and Figure 5.6 summarise the results of the cross-tabulation of team work and free-flow of information in relation to age of FBO. On team work, 58% of older FBOs agreed to its existence while only 26% agreement from younger FBOs. On free-flow of information, while 31% agreement was registered from older FBOs, only 6% agreement came from FBO within the 1-6 years age bracket. The Chi-square values of team work and free-flow of information and age of FBO cross-tabulation were respectively significant [x^2 (df = 9, N = 68) = 16.299, $p<0.05$]; [x^2 (df = 9, N =68) = 25.174, $p<0.05$]. This shows that there is a relationship between the age of an FBO and team work and free-flow of information. The results also suggest that team work and free-flow of information are either very little or almost non-existent in younger FBOs while older FBOs have significant presence of team work and free-flow of information. It can also be noted that although the majority of the respondents agreed with the existence of team work as shown in Table 5.2, the large presence of neutral and disagreeing respondents on free-flow of information suggests that while team work is encouraged in FBOs, the organisations have no specifically structured communication systems to allow for free-flow of information.

Studies have found that in some cases the interaction of team members, which facilitates free-flow of information, is influenced by the structure of communication channels in the organization (Mullins, 2007). This suggests that it is possible to have team work as a work place policy without the appropriate communication structures to facilitate free-flow of information among team members or across teams. This scenario suggests that the majority of younger FBOs under study are yet to appreciate the importance of free-flow of information as an element of effective team work (Macaulay and Cook, 1995). In some cases this lack of free-flow of information can be explained by the founder mentality in FBOs which makes the founder of the FBO the center of the organisation, with the rest of staff as "mere boys" in the system. However, with time such a communication structure is controlled by funding requirements which in many cases demands separation of responsibilities. This could in some way explain a certain level free-flow of information in older FBOs.

In summary, the analysis above has shown that age has a significant influence on the adoption of HRM practices in FBOs involved in HIV and AIDS work in Blantyre. This raises the important question of the need to enhance the management capacity of FBOs especially if HRM practices have a bearing on performance as studies have shown.

5. 5. Performance in FBO's

One objective of the study was to identify the nature of performance dimensions in FBOs involved in HIV and AIDS work in Blantyre. The study was able to identify goal achievement, employee commitment and service quality as dimensions of performance in FBOs under study. Fig 6 below summarises the response pattern on these performance dimensions in the FBOs.

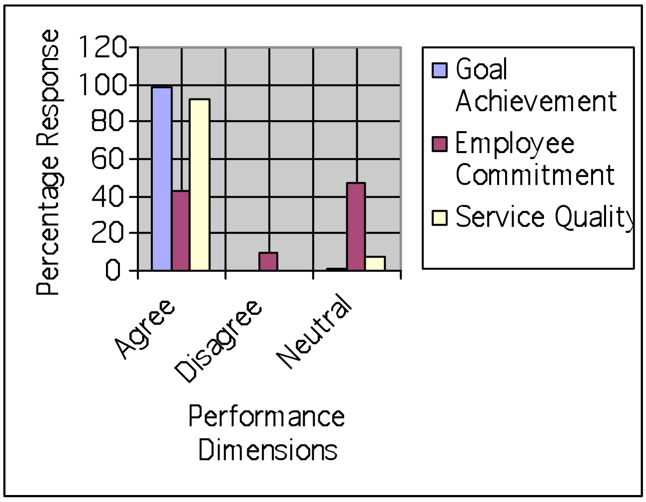

Figure 5.7: Performance Dimensions

5.5.1. Goal Achievement in Terms of Making a Difference

Fig. 5.7 shows that 99% of the respondents agreed that their organisations meet their objectives by making a difference in the lives of their beneficiaries. This is supported by a recent study in Ghana, Malawi and Uganda on "Donor Perspective on Church-based organizations in Healthy System Strengthening," which found that patients felt mission or church health facilities provided more satisfactory care than government health facilities (Ecumenical Pharmaceutical Network, 2010). The study also found that religious health care facilities-where staff earn less than the market wage-were more likely to provide services for the public good. This means that FBOs are making a significant difference in the lives of their beneficiaries.

5.5.2. Employee Commitment

Figure 6 shows that 47 % of the respondents were neutral on their willingness to stay on with their organizations. The high number of neutral responses means that commitment in the sampled FBOs is very low. This could be a result of two possible factors. One factor could be that since HRM practices influence organizational performance, (Ueno, 2008; Chand and Katou, 2007) then HRM practices in the FBOs under study are not creating commitment as a factor of organizational performance. This is supported by studies that showed that certain HRM policies and practices that may contribute to the increase of commitment are training, career planning, performance management, work-life balance policies and job design (Armstrong, 2007). The studies also found that where such policies and practices are lacking employee commitment drops. The other factor could be the terms of the employment. Where the terms of employment are contractual in nature, it is possible for employees to be non-committal on their continued stay with the organization. The second explanation is more plausible for most international FBOs where contract employment is more pronounced than in local FBOs.

5.5.3. Service Quality in terms of Employee Confidentiality

Figure 6 shows that 92% of the respondents agreed that they ensure confidentiality for their clients. This suggests that generally the FBOs under study are doing well in ensuring confidentiality for their clients. The importance of confidentiality as a mark of service quality is due to the fact that courtesy and confidentiality to clients are the hallmarks of HIV and AIDS work (CUAHA, 2009; Global Business Coalition, 2010). Where HIV and AIDS clients are not sure of their privacy in using a particular service provider, they shun the service. This result helps put in perspective the fact of poor performance in FBOs which need not be generalized.

In summary, the results of the analysis of performance in the FBOs under study has shown that the sampled FBOs have a significant level of goal achievement and service quality is maintained. However, employee commitment is relatively low. This trend supports the findings on the HRM practices in FBOs. This shows that FBOs have significant challenges in eliciting commitment from their employees.

5.6. The Relationship between HRM Practices and Performance in FBOs.

At the outset, the Cronbach's alpha was computed to determine the reliability of the three performance measurement items. The Cronbach's alpha coefficient resulting from this computation was .0846. According to Lai (2008), an alpha coefficient of 0.58 to 0.75 demonstrates a moderate level of reliability. In addition, Rhodes, Hung, Lok, Lien and Wu (2008) found an alpha value of .70 to be satisfactory. Since the alpha coefficient of the present study is higher than these, it shows that the study has satisfactory internal consistency in the performance measurement scale. Table 5.13 presents the alpha loading of the three performance dimensions including their mean scores and standard deviation.

Table 5.13: Mean, Std Deviation and Alpha Value of the Performance Scale

	Mean	Std Deviation	Chronbach's Alpha
Goal Achievement	4.41	.525	.830
Employee Commitment	3.50	.954	.822
Service Quality	4.28	.619	.840

A mean score of more than 3 suggests a higher consistency of the performance scale. However, higher mean scores of more than 4 are recorded in goal achievement and service quality indicating significantly higher consistency in these performance dimensions.

A two-tailed Spearman correlation analysis, significant at ≤ 0.01 and ≤ 0.05, was later performed in order to establish the relationship between HRM practices and organizational performance. The results of the test are indicated by table 5.14 below. The flagged items in the Table indicate the level of correlation.

Table 5.14: Spearman Correlation Analysis

Rho	Formal Induction	Training& Development	Written Job Descriptions	Merit Selection	Qualification Pay	Performance Pay	Team Work	Information Flow
Goal Achievement	.0293(*)	.239(*)	.552(**)	.666(**)	.213	.380(**)	.435(**)	.710(**)
Employee Commitment	.462(**)	.383(**)	.529(**)	.573(**)	.046	.478(**)	.305(*)	.586(**)
Service Quality	.387(**)	.396(**)	.256(*)	.455(**)	.043	.484(**)	.260(*)	.226 (*)

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

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

5.6.1. Written Job Descriptions and Selection Based on Merit

On recruitment and selection, the correlation analysis shows that written job descriptions highly correlated with goal achievement (0.552 significant at .01), employee commitment (0.529 significant at .01) and service quality (0.256 significant at .05). This supports the claim that clear job descriptions help define the scope of the employees' work and makes him or her contribute positively to organizational performance (Armstrong 2007). In addition, merit selection of employees had the highest correlation with performance dimensions of goal achievement (0.666 significant at .01), employee commitment (0.573 significant at .01) and service quality (0.455 significant at .01). This also agrees with Chand and Katou's (2007) findings. The result is also in keeping with Armstrong's view that merit selection helps the firm to get the best qualified personnel who contribute positively to organizational performance (Armstrong 2007). This means the development of professional guidelines for recruitment and selection is necessary in the FBOs.

5.6.2. Formal Induction and Need Based Training and Development

The correlation analysis shows that induction of new employees is positively related to the performance dimension of goal achievement (0.293 significant at .05), service quality (.387 significant at .01) and employee commitment (.0462 significant at .01). This result agrees with studies done by Chand and Katou (2007) which showed a relationship between formal induction of new employees and goal achievement and service quality. A possible explanation for this relationship is that formal induction assures the new employees of being welcome into the organization and this helps them make a long term commitment to the organization (Alastrista and Arrowsmith, 2003; Chand and Katou 2007). In addition, where individuals are committed they work hard to ensure quality and meet organizational goals and objectives. This is underscored by Cornelius (2001) who indicated that where perceptions gained during the induction do not fit with official and/or unofficial requirements, the new recruit either leaves or stays but is not committed. This suggests that management focus in this area will do more to improve induction of new employees to ensure organizational goal achievement, employee commitment and service quality in the FBOs involved in HIV and AIDS work in Blantyre.

5.6.3. Need Based Training and Development

Need based training and development was found to be positively correlated with all performance variables of goal achievement (0.239 significant at .01), employee commitment (0.383 significant at .05) and service quality (0.396 significant at .05). This agrees with Armstrong's (2007) argument that need based training and development is fundamental because it facilitates meaningful personal development and helps employees to identify and achieve their own personal potential in the workplace, thereby improving organizational performance. Therefore, FBO management may need to look closely at this HRM dimension to ensure continued motivation of employees for organizational performance.

5.6.4. Qualifications and Performance Pay Systems

Qualification pay system did not correlate with performance dimensions of goal achievement, employee commitment and service quality. The result indicates that the qualification pay system is not directly related to performance in FBOs involved in HIV and AIDS work in Blantyre. This also contradicts the assertion that low salaries in the FBOs and the non-profit sector contribute to resourcing challenges such high labour turn over and the recruiting of unqualified staff (CHAM, 2003; Eksogen, 2007; Saddiq, 2009). One possible explanation for this lack of relationship between qualification pay systems and performance is the voluntary spirit associated with FBO work, which makes employee motivation come from other sources other than qualifications pay system. Performance pay was also found to be positively related to performance dimensions of goal achievement (0.380 significant at .01), employee commitment (0.478 significant at .01) and service quality (0.484 significant at .01). This agrees with the general perception in FBOs, especially in the church that qualifications do not matter but skills and performance.

5.6.5. Team Work and Free-flow of Information

Team-work was found to be positively related to performance dimensions of goal achievement (0.435 significant at .01), employee commitment (0.305 significant at .05) and service quality (0.260 significant at .05). This agrees with earlier studies in the service sector where teamwork was seen as a means of supporting willingness to deliver service quality (Ueno 2008). The study also found that through support from team members, motivation for providing quality service is likely to continue and effective teamwork tends to develop capabilities for delivering a high level of service quality and achievement of organizational goals. In addition, when effective, a team tends to develop employee commitment towards customer service.

At the same time, free-flow of information, a dimension of team work was also found to be highly correlated with goal achievement (0.710 significant at .01), employee commitment (0.586 significant at .01) and service quality (.226 significant at .01). The high correlation of .710 between goal achievement and free-flow of information agrees with the findings of Macaulay and Cook (1995) who found that one critical ingredient of effective teams was the availability of information and willingness to freely share it. This is true in that information flow is critical to any organization since it ensures that everyone is aware of how their work relates to the bigger organization.

In summary, the results of correlation analysis have shown that HRM practices such as written job description, merit element in selection, induction of new employees, need based training and development, performance pay, team work and free-flow of information have a positive relationship with organizational performance dimensions of goal achievement, employee commitment and service quality in FBOs involved in HIV and AIDS work in Blantyre. The analysis has also found that there is no relationship between qualification pay system and performance dimensions of goal achievement, employee commitment and service quality in FBOs involved in HIV and work in Blantyre. This agrees very well with the result of descriptive statistics which showed that qualification pay in FBOs involved in HIV and AIDS work in Blantyre to be either absent or not clearly defined.

5.6.6. Chapter Summary

This chapter has presented the analysis and discussion of results through descriptive and inferential statistics. It has discussed the study sample, HRM practices in FBOs and organisational attributes of type and age of FBO and their influence on the adoption of HRM practices in FBOs. Lastly, it discussed performance in FBOs and the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS.

The next chapter presents conclusions and recommendations drawn from the study findings. It will also suggest areas of further research in HRM and performance in FBOs involved in HIV and AIDs.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6. 1. Introduction

The last chapter presented the analysis and discussion of results through descriptive and inferential statistics. It discussed the study sample, HRM practices in FBOs and organisational attributes of type and age of FBO and their influence on the adoption of HRM practices in FBOs. Lastly, it discussed performance in FBOs and the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS. In chapter six, conclusions drawn from the study findings and recommendations based on the same are presented. First, the chapter summarises the results of the study from which it also draws necessary conclusions. Later, recommendations and direction of future research in the area are suggested.

6.2. Summary of Findings and Conclusions

The study set out to explore the relationship between HRM practices and performance in FBOs involved in HIV and AIDS work in Blantyre. This objective was to be arrived at by answering the following research questions: (1) Which HRM practices exist in FBOs involved in HIV and AIDS in Blantyre? (2) Are there any variations in HRM practices across FBOs in relation to organizational attributes? (3) What are the performance dimensions in FBOs involved in HIV and AIDS work in Blantyre? (4) Is there a relationship between HRM practices and organizational performance in FBOs involved in HIV and AIDS work in Blantyre.

In relation to the first research question, the study found that HRM practices such as written job descriptions, selection based on merit, induction of new employees, need based training and development, qualifications and performance pays systems and team work and free-flow of information exist in FBOs involved in HIV and AIDS work in Blantyre. However, these HRM practices exist in varying degrees. For example, the study found that induction of new employees and team work were more prevalent in the FBOs than other HRM practices such as qualification pay, performance pay and free-flow of information which were not clearly defined. This shows that the FBOs involved in HIV and AIDS work in Blantyre have significant HRM challenges in pay systems and free-flow of information.

In relations to the second research question, the study found significant variations in HRM practices among the FBOs across organisational attributes. Significant variations were found across type and age of FBO. Significant differences in the adoption of HRM practices were noticeable between international and local FBOs. The study also found that age had a significant influence on the adoption of HRM practices. Older FBOs were more inclined to have well developed HRM practices than younger ones. This shows that type and age of FBO has a significant influence on the adoption of HRM practices in FBOs involved in HIV and AIDS work in Blantyre.

In relation to the third research question, the study identified three performance dimensions in the FBOs under study. These were goal achievement, employee commitment and service quality. On goal achievement and service quality, most of the respondents agreed that their organisations achieve their objectives and maintain service quality. However employee commitment was found to be generally low in the FBOs under study. This shows that employee commitment as a measure of performance is a significant challenge in the FBOs involved in HIV and AIDS work in Blantyre.

The fourth question was on whether there is a relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work in Blantyre. The study found that induction of new employees, need based training and development, written job descriptions, merit in the selection process, performance pay, team work and free-flow of information were positively related to organisational performance dimensions of goal achievement, employee commitment and service quality. The study also found that qualification pay system was not related to organisational performance dimensions of goal achievement, employee commitment and service quality. This shows that qualification pay systems is highly undermined in FBOs involved in HIV and AIDS work in Blantyre.

The overall conclusion from the study findings is that FBOs involved in HIV and AIDS work in Blantyre have significant challenges in their pay systems and free-flow of information. These challenges are more significant in FBOs within the age bracket of 1-6 years and also across both local and international FBOs. It is also possible that these HRM challenges contribute to the low employee commitment in the FBOs.

6.3. Recommendations

In view of the above findings and conclusions the study recommends that the FBOs involved in HIV and AIDS work in Blantyre should improve their pay systems and free-flow of information, and that younger FBOs should develop HRM strategies to improve their HRM systems and organisational performance.

6.3.1. Introduce Standard Procedures in Pay Systems

Firstly, the FBOs should develop standard procedures in their pay systems. The study has shown that pay based on qualification is not related to performance in the FBOs involved in HIV and AIDS work in Blantyre. However, performance pay has been shown to be related to performance. The descriptive study also showed that there is little or no qualification pay structure in the targets organisation. The sum total of neutral respondents and those that disagree is higher than those that agreed with the existence of performance pay. This shows an ambiguity in the pay structure in the FBOs. This, therefore, suggests that there is no clear structure for the reward system in the FBOs. Such situations often lead to perceived inequalities in the organisations. It has long been established that perceived inequalities in payment matters can be highly damaging to an organisation (Torrington et al, 2008). Therefore, when making decisions on pay structures, the FBOs should follow the guidelines provided by Torrington et al, (2008) as below:

- a standard approach for the determination of pay (base rate and incentive) across the organisation.
- as little subjective or arbitrary decision making as is feasible.
- maximum communication and employee involvement in establishing pay determination mechanisms.
- clarity in pay determination so that everyone knows what the rules are and how they are applied.

6.3.2. Improve Information Flow Within and Across Teams

Secondly, FBOs should improve their information flow. The study has found that generally there is little or no free-flow of information in FBOs. However, sometimes the interaction of team members, which facilitates free-flow of information, is influenced by the structure of channels of communication in the organization (Mullins, 2007). According to Mullins, there are four main types of communication networks in organizations:

- The wheel, also known as the star, is the most centralized network. The central person in the organization who is regarded as the leader, who also holds all the information, is the only person who experiences the highest satisfaction in as far as team work is concerned. This is because he/she not only enjoys knowledge of everything in the organization but also that he is the source of all information in the organization. This is associated with good performance in simple tasks. Most young FBOs seem to fall in this category with the founder as the center of the organization.

- The Y chain network is appropriate for simple problem solving tasks. It is more centralized with information flowing along predetermined channels. Where it involves complicated tasks, performance is retarded.
- The circle is a more decentralized network. In this network, decision-making involves participation and as a result there is a high level of satisfaction for team or organizational members.
- The all-channels network is a decentralized network with full discussion and participation of all members. Associated with complex tasks, this communication model results in high level of satisfaction for members and a good level of performance.

In order to improve free-flow of information, the FBOs should develop their communication structures along the circle or all-channels network. This would make for free-flow of information resulting in effective teams both at the organizational level and work group level.

6.3.3. Introduce Strategic HRM Policies and Systems in Younger FBOs

Thirdly, FBOs within the age bracket of 1-6 years should introduce strategic HRM policies and systems. The study has found that age has a significant influence on the adoption of HRM practices. In order to introduce strategic HRM policies and systems, the younger FBO's should do the following:

- Bench marking of HRM best practices from their older counterparts.
- Emphasise training in basic HRM for top management in the FBOs.

The above can help management in the younger FBOs to value the organisations' most important asset, the people who make things happen in the organisation. This would result in improvement in organisational performance.

6.4. Future Direction of Research

While the study has established the relationship between some specific HRM practices and organisational performance, there is one area that requires further study. One such area is the factors that influence adoption of HRM practices in FBOs involved in HIV and AIDS work and their determination as critical to the performance of FBOs. The importance of such a study is that it can help uncover the deep seated assumptions that determine the adoption of HRM practices in the FBOs.

6.5. Conclusion

In conclusion, the study has explored the relationship between HRM practices and organisational performance in FBOs involved in HIV and AIDS work in Blantyre. It has found that HRM practices that exist in FBOs involved in HIV and AIDS work are written job descriptions, merit in the selection process, induction of new employees, need based training and development, qualification pay, performance pay, team work and free-flow of information. However, these HRM practices exist in varying degrees. While some like induction and team are more prevalent, pay systems and free-flow of information are not clearly defined. In addition, the study also found that type and age of FBO to have significant influences on adoption of HRM practices.

The study has also found that organisational performance dimensions in FBOs are goal achievement, employee commitment and service quality. In terms of the relationship between HRM practices and organisational performance, the study found that HRM practices such as written job descriptions, merit in the selection process, induction of new employees, need based training and development, qualification pay, performance pay, team work and free-flow of information were positively related to performance dimensions of goal achievement and service quality. Only qualification pay had no relationship with organisational performance in FBOs.

In view of the findings, the study has proposed recommendations that can help to enhance the performance of the FBOs through the improvement of their HRM practices. The study has also suggested future direction of research as the factors that influence adoption of HRM practices in FBOs and their determination as critical to the performance of the FBOs.

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APPENDIX: QUESTIONNAIRE

This study is being conducted to gather information on the relationship between HRM practices and organizational performance in FBO's involved in HIV and AIDS work in Blantyre. It is being administered by a student who is pursuing a Masters Degree in Business Administration (MBA) with the University of Malawi, The Polytechnic. The questionnaire will only take five minutes of your time to complete. To ensure confidentiality, the questionnaire is not asking respondents to disclose their organization or their names.

Part A

Tick in the appropriate Box below

Type of Organisation	1. Local		2. International	
Age of Organisation	1-3 yrs	4-6yrs	7-9yrs	10yrs or more
Number of Employees	10 or less	11-20	21-40	41 or more
Your position in the organisation	Lower Management		Senior Management	

Part B

Tick in the appropriate box below where 1 =strongly disagree, 2 =disagree, 3 =neutral, 4 =agree and 5 =strongly agree

1. New employees go through formal induction in the organisation.	1	2	3	4	5
2. There is regular training and development of employees to improve their skills	1	2	3	4	5
3. The organization has written job descriptions for each position.	1	2	3	4	5
4. In this organisation employees are selected on merit.	1	2	3	4	5
5. The pay system is based on qualification.	1	2	3	4	5
6. Employees are awarded for good performance in this organization.	1	2	3	4	5
7. Teams are part of the working life of the organization.	1	2	3	4	5
8. There is free flow of information in the organization.	1	2	3	4	5
9. We are making a difference in the lives of our beneficiaries.	1	2	3	4	5
10. I am willing to stay with the organization for a long time.	1	2	3	4	5
11. Employees ensure confidentiality for their clients.	1	2	3	4	5