

## ABSTRACT

Strategic management literature show that strategic human resources management practices (SHRM) drive firm performance. Prior studies focus on SHRM practices in developed countries but none has been done in the Sugar Sector. The Kenya Sugar industry strategic plan (2010-2014) confirms that this sector is a major employer and contributor to the national economy. There is no known study that has related innovative recruitment and selection systems and performance of sugar firms and the relationship between integration of human resource (HR) with corporate strategies and performance of sugar firms. The purpose of this study was to establish the relationship between SHRM practices on performance of Sugar companies. Objectives of the study were to; determine the association between innovative recruitment and selection system and performance and establish the relationship between integration of HR with corporate strategies and performance. The study was anchored on Configurational theory. A correlational research design was employed on target population of 27 senior managers and sample of 24 senior managers were used. Primary and Secondary data were collected through a semi-structured self-administered questionnaire and document review respectively. Instrument validity was checked using expert review whereas reliability was done using pilot test and the instrument was found reliable since all items had  $\alpha > .701$  implying internal consistency. The findings were that relationship between strategic outsourcing and performance was significantly positive ( $r = 0.548$ ,  $p = 0.006$ ,  $n = 24$ ) implying that its use influences performance of sugar firms positively; the association between innovative recruitment and performance was positive and significant ( $r = 0.710$ ,  $p = 0.000$ ,  $n = 24$ ) implying that it associates positively with performance of sugar firms and the association between integration of HR with corporate strategies and performance was positive and significant ( $r = 0.866$ ,  $p = 0.000$ ,  $n = 24$ ) implying that its use leads to an increase in performance of sugar firms. Study conclusions are that; strategic outsourcing positively influences performance; use of innovative recruitment and selection systems associate positively with performance and integration of HR with corporate strategies leads to an increase in performance of sugar firms. Recommendations of the study are that firms should intensify application of strategic outsourcing of HR function; intensify use of strategic outsourcing; increase use of innovative recruitment and selection systems and intensify integration of HR with corporate strategies. The research findings may be significant to sugar industry human resource policy makers in designing appropriate SHRM that maximizes the firm's value. It will also provide new empirical evidence on the SHRM practices and performance of sugar firms and form a basis for future research in the area.