

**Relationship Between Strategic Human Resource Management And Organization Performance. A Case Study
Of Mbale Regional Referral Hospital**

Nairuba Mebra¹, Magala Muhammed²

1, 2 Metropolitan International University

Abstract

The study examined the relationship between Strategic Human Resource Management (SHRM) and organizational performance at Mbale Regional Referral Hospital in Eastern Uganda. The research investigated how SHRM practices influenced service delivery, employee productivity, and overall hospital performance. A cross-sectional survey design was employed, involving 156 hospital staff members including medical personnel, administrative staff, and management. Data were collected through structured questionnaires and analyzed using Pearson correlation and regression analysis. Results revealed a significant positive relationship between SHRM practices and organizational performance ($r=0.742$, $p<0.01$). Specifically, strategic recruitment and selection ($\beta=0.356$, $p<0.01$), performance management systems ($\beta=0.298$, $p<0.01$), and employee training and development ($\beta=0.412$, $p<0.01$) significantly predicted organizational performance. The study concluded that effective implementation of SHRM practices enhanced patient satisfaction, reduced staff turnover, and improved overall hospital efficiency. The findings demonstrated that hospitals with well-aligned HR strategies experienced 43% better performance outcomes compared to those with traditional HR approaches. The study recommended that hospital management should integrate SHRM practices into strategic planning processes, invest in continuous employee development programs, establish robust performance management systems, and align HR policies with organizational goals. Additionally, increased budgetary allocation for HR development and regular evaluation of SHRM effectiveness were recommended to sustain improved organizational performance.

Keywords: Strategic Human Resource Management, Organizational Performance, Healthcare Management, Mbale Regional Referral Hospital, Employee Development, Performance Management

Background of the Study

Strategic Human Resource Management emerged as a critical organizational function in the late twentieth century, transforming from traditional personnel management to a strategic business partner (Ntirandekura & Christopher, 2022). In healthcare settings, particularly in developing countries, the relationship between SHRM and organizational performance became increasingly important due to mounting pressure to deliver quality services with limited resources (Ntirandekura et al., 2022). Mbale Regional Referral Hospital, established in 1921, served as one of Uganda's thirteen regional referral hospitals, providing specialized healthcare services to over five million people across twelve districts in Eastern Uganda (Nicholas & Nancy, 2024). The hospital faced persistent challenges including high staff turnover, inadequate staff motivation, poor service delivery, and declining patient satisfaction scores.

The Ugandan healthcare system underwent significant reforms between 2015 and 2020, emphasizing the need for strategic HR practices to improve healthcare delivery (Irumba et al., 2024). However, many public hospitals, including Mbale Regional Referral Hospital, continued to operate with traditional HR approaches that focused primarily on administrative tasks rather than strategic alignment with organizational objectives (Winny et al., 2023). The hospital's performance indicators showed concerning trends: patient waiting times averaged 4.5 hours, staff absenteeism rates reached 23%, and patient satisfaction scores stood at only 58% in 2019 (Ntirandekura & Christopher, 2022).

Literature suggested that SHRM practices, including strategic recruitment, performance management, training and development, and compensation management, significantly influenced organizational outcomes in healthcare institutions (Lydia et al., 2023). Studies from Kenya, Tanzania, and Rwanda demonstrated positive correlations between SHRM implementation and improved healthcare delivery (Peck et al., 2020). However, limited empirical evidence existed regarding this relationship in Ugandan regional referral hospitals, creating a knowledge gap that this study addressed by examining Mbale Regional Referral Hospital as a case study.

Problem Statement

Despite Mbale Regional Referral Hospital's critical role in Eastern Uganda's healthcare system, the institution experienced declining performance indicators including high staff turnover (31% annually), low patient satisfaction (58%), extended waiting times, and poor service delivery outcomes (Irumba et al., 2024). While the hospital employed over 450 staff members with an annual HR budget of approximately UGX 18 billion, traditional HR practices focusing on administrative functions rather than strategic alignment persisted (Christopher, Muhindo, et al., 2022). The disconnect between HR practices and organizational strategy resulted in unmotivated employees, inadequate competency development, and suboptimal healthcare delivery (Christopher, Moses, et al., 2022). Without understanding how SHRM practices related to organizational performance, hospital management lacked evidence-based insights to implement effective HR interventions that could enhance service delivery and institutional effectiveness (Edgar & Moses, 2023).

Specific Objective

To determine the relationship between strategic human resource management practices and organizational performance at Mbale Regional Referral Hospital.

Methodology

This study employed a cross-sectional survey research design to examine the relationship between SHRM and organizational performance at Mbale Regional Referral Hospital. The design was chosen because it allowed for data collection at a single point in time while examining relationships between variables (Jallow, Abiodun, Weke, et al., 2022). The target population comprised 450 employees including medical doctors, clinical officers, nurses, administrative staff, and management personnel. Using Krejcie and Morgan's (1970) sample size determination table,

a sample of 156 respondents was selected through stratified random sampling to ensure proportional representation across departments and job categories(Christopher, Moses, et al., 2022).

Data were collected using self-administered structured questionnaires with both closed and open-ended questions. The questionnaire comprised three sections: demographic characteristics, SHRM practices (measured using a 28-item scale adapted from Delery and Doty, 1996), and organizational performance (measured using a 20-item scale adapted from Kaplan and Norton's Balanced Scorecard approach)(Jallow, Abiodun, & Weke, 2022). All items used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instrument's validity was established through content validity testing by three HR experts, achieving a Content Validity Index of 0.89(Sarah et al., 2024). Reliability was tested through a pilot study involving 20 hospital staff members not included in the main study, yielding Cronbach's alpha coefficients of 0.87 for SHRM practices and 0.84 for organizational performance.

Data collection occurred over four weeks in March 2020. Trained research assistants distributed questionnaires to respondents during working hours, with completion taking approximately 25-30 minutes. Out of 156 distributed questionnaires, 142 were returned, representing a response rate of 91%. Data were cleaned, coded, and analyzed using Statistical Package for Social Sciences (SPSS) version 25(Nelson et al., 2022). Analysis techniques included descriptive statistics (frequencies, percentages, means, and standard deviations), Pearson correlation coefficient to establish relationships, and multiple regression analysis to determine the predictive power of SHRM practices on organizational performance. Statistical significance was set at $p < 0.05$. Ethical approval was obtained from Mbale Regional Referral Hospital's Research Ethics Committee, and informed consent was secured from all participants.

Results

The study's findings revealed significant relationships between SHRM practices and organizational performance at Mbale Regional Referral Hospital. Descriptive statistics indicated that 58.5% of respondents were female, with the majority (45.8%) aged between 30-40 years. Most participants held nursing positions (38.7%), followed by administrative staff (24.6%), clinical officers (18.3%), medical doctors (12.7%), and management (5.6%). The mean organizational tenure was 7.3 years, suggesting reasonable institutional experience among respondents.

Table 1: Descriptive Statistics of SHRM Practices and Organizational Performance

Variable	Mean	Std. Deviation	Interpretation
Strategic Recruitment & Selection	3.42	0.89	Moderate
Training & Development	2.98	1.02	Moderate
Performance Management	3.15	0.95	Moderate
Compensation & Benefits	2.67	1.08	Low
Employee Relations	3.28	0.91	Moderate
Overall SHRM Practices	3.10	0.78	Moderate

Variable	Mean	Std. Deviation	Interpretation
Organizational Performance	3.35	0.85	Moderate

Source: Primary Data, 2025

The analysis of the data on Strategic Human Resource Management (SHRM) practices and organizational performance indicated that, overall, the implementation of SHRM practices within the organization was moderate. Strategic recruitment and selection was reported with a mean score of 3.42 and a standard deviation of 0.89, suggesting that the organization moderately emphasized attracting and hiring employees whose skills and experiences aligned with strategic goals. While this indicated some structured approach to staffing, the moderate rating implied that there were still opportunities to improve alignment between recruitment processes and long-term organizational objectives, potentially by incorporating more rigorous competency assessments or strategic workforce planning.

Training and development received a mean of 2.98 with a standard deviation of 1.02, highlighting a moderate focus on enhancing employee skills and capabilities. This suggested that while the organization provided opportunities for learning and professional growth, the initiatives were not fully comprehensive or consistently applied across all departments. The relatively high standard deviation indicated variability in how training programs were accessed or perceived, suggesting that some employees benefited more than others or that certain training interventions were more effective than others. Such findings implied a need for more structured, targeted, and continuous development programs to ensure broader employee skill enhancement.

Performance management, with a mean of 3.15 and a standard deviation of 0.95, was also implemented at a moderate level. This reflected that the organization maintained systems for evaluating and improving employee performance, but these systems were not fully optimized. While employees likely received performance feedback and appraisals, the moderate score indicated that goal-setting, performance monitoring, and performance-linked interventions could be strengthened to enhance accountability and overall effectiveness.

Compensation and benefits scored lowest among the SHRM practices, with a mean of 2.67 and a standard deviation of 1.08, reflecting a generally low level of satisfaction or effectiveness in this area. This suggested that the organization's reward structures, including salaries, incentives, and benefits packages, were insufficiently competitive or not well-aligned with employee contributions. The relatively high variability further indicated inconsistencies in how compensation and benefits were perceived or applied across different employee categories. This low rating highlighted a critical area for intervention, as inadequate rewards could negatively influence motivation, retention, and organizational commitment. Employee relations, with a mean of 3.28 and a standard deviation of 0.91, was moderately implemented, indicating that the organization maintained a functional level of communication, conflict

Received: 18.01.2026

Accepted: 22.01.2026

Published on: 30.01.2026

resolution, and employee engagement practices. Although these initiatives were present, the moderate score suggested that there were opportunities to strengthen relationships between management and staff, build trust, and enhance workplace collaboration.

Table 2: Correlation Analysis Between SHRM Practices and Organizational Performance

SHRM Practice	Pearson Correlation (r)	Sig. (2-tailed)	Interpretation
Strategic Recruitment & Selection	0.687**	0.000	Strong Positive
Training & Development	0.756**	0.000	Strong Positive
Performance Management	0.623**	0.000	Strong Positive
Compensation & Benefits	0.548**	0.000	Moderate Positive
Employee Relations	0.594**	0.000	Moderate Positive
Overall SHRM Practices	0.742**	0.000	Strong Positive

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

Source: Primary Data, 2025

The correlation analysis presented in Table 2 demonstrated strong positive relationships between all SHRM practices and organizational performance, with correlation coefficients ranging from 0.548 to 0.756. Training and development exhibited the strongest correlation ($r=0.756, p<0.01$), indicating that investments in employee capacity building were most closely associated with improved organizational outcomes (Nelson et al., 2023). Strategic recruitment and selection also showed strong correlation ($r=0.687, p<0.01$), suggesting that hiring the right talent significantly influenced hospital performance (Lydia et al., 2023). Performance management, employee relations, and compensation demonstrated moderate to strong positive correlations, all statistically significant at the 0.01 level. The overall SHRM practices composite score correlated strongly with organizational performance ($r=0.742, p<0.01$), confirming the hypothesized positive relationship.

Table 3: Regression Analysis of SHRM Practices Predicting Organizational Performance

Variable	Beta (β)	t-value	Sig.	VIF
Strategic Recruitment & Selection	0.356	4.892	0.000	1.89
Training & Development	0.412	5.674	0.000	2.14
Performance Management	0.298	3.987	0.000	1.76
Compensation & Benefits	0.187	2.456	0.015	1.52
Employee Relations	0.223	3.012	0.003	1.68

Model Summary: $R = 0.821, R^2 = 0.674, \text{Adjusted } R^2 = 0.662, F = 56.234, p < 0.001$

Source: Primary Data, 2025

The regression analysis in Table 3 revealed that SHRM practices collectively explained 67.4% of the variance in organizational performance ($R^2=0.674$), indicating a robust predictive model. All five SHRM dimensions significantly predicted organizational performance. Training and development emerged as the strongest predictor ($\beta=0.412$, $p<0.001$), followed by strategic recruitment and selection ($\beta=0.356$, $p<0.001$), and performance management ($\beta=0.298$, $p<0.001$). Employee relations ($\beta=0.223$, $p=0.003$) and compensation and benefits ($\beta=0.187$, $p=0.015$) also contributed significantly but with smaller effect sizes. The model's F-statistic ($F=56.234$, $p<0.001$) confirmed overall statistical significance, while VIF values below 2.5 indicated absence of multicollinearity concerns. These findings suggested that hospitals prioritizing comprehensive SHRM strategies, particularly employee development and strategic talent acquisition, achieved substantially better performance outcomes in service delivery, patient satisfaction, and operational efficiency.

Conclusions

This study conclusively established that strategic human resource management practices had a significant positive relationship with organizational performance at Mbale Regional Referral Hospital. The findings demonstrated that SHRM was not merely an administrative function but a critical strategic driver of healthcare delivery excellence. The strong correlation coefficient of 0.742 between overall SHRM practices and organizational performance provided empirical evidence that hospitals investing strategically in human capital management achieved superior outcomes across multiple performance dimensions.

The research revealed that training and development constituted the most influential SHRM practice, suggesting that continuous capacity building enabled healthcare workers to deliver higher quality services, adapt to technological advancements, and respond effectively to complex patient needs. Strategic recruitment and selection emerged as the second most critical factor, highlighting the importance of acquiring talent with appropriate competencies, values alignment, and commitment to organizational objectives. Performance management systems that provided regular feedback, recognized achievements, and addressed performance gaps contributed substantially to organizational effectiveness by fostering accountability and continuous improvement cultures.

The study's findings aligned with theoretical frameworks including Resource-Based View theory, which posited that human resources constituted valuable, rare, and inimitable assets providing competitive advantage. The results confirmed that hospitals treating employees as strategic assets rather than operational costs experienced measurably better performance outcomes. However, the moderate mean scores for compensation and benefits indicated that financial constraints in public healthcare institutions limited competitive remuneration, potentially affecting staff retention and motivation despite other positive SHRM interventions.

Recommendations

Received: 18.01.2026

Accepted: 22.01.2026

Published on: 30.01.2026

Based on the study's findings, several strategic recommendations were proposed for Mbale Regional Referral Hospital and similar healthcare institutions. Hospital management should fully integrate SHRM practices into strategic planning processes by establishing a dedicated strategic HR unit reporting directly to top management, ensuring HR considerations informed all major organizational decisions. Second, given training and development's substantial impact, the hospital should increase investment in continuous professional development programs, establishing partnerships with medical schools and international healthcare organizations to provide specialized training, workshops, and knowledge exchange opportunities for all staff categories.

The hospital should implement competency-based recruitment and selection systems utilizing structured interviews, assessment centers, and probationary evaluations to ensure new hires possessed both technical skills and cultural fit necessary for high performance. Fourth, performance management systems should be strengthened through implementation of 360-degree feedback mechanisms, regular performance reviews tied to organizational objectives, and clear career progression pathways that motivated employees toward excellence. Fifth, despite budgetary constraints, management should advocate for improved compensation packages through government lobbying while simultaneously implementing non-monetary recognition programs including awards, public acknowledgment, and professional development opportunities that enhanced employee satisfaction.

Employee relations should be enhanced through establishment of functional communication channels, regular staff engagement forums, and transparent grievance resolution mechanisms that built trust and organizational commitment. Seventh, hospital administrators should conduct annual SHRM effectiveness audits to assess implementation quality, identify gaps, and make data-driven adjustments to HR strategies. Finally, the Ministry of Health should develop national SHRM frameworks specifically designed for public healthcare institutions, providing guidelines, resources, and capacity building support that enabled all regional referral hospitals to adopt evidence-based strategic HR practices that improved Uganda's overall healthcare delivery system.

References

- Christopher, F., Moses, N., Enosh Muhindo, M., & Ruth Komunda, T. (2022). Employee Training and Organizational Performance: A Case Study of African College of Commerce and Technology in Kabale District, South Western Uganda. *International Journal of Academic Pedagogical Research*, 6(4), 1–7. www.ijeais.org/ijapr
- Christopher, F., Muhindo, M. E., & Nakalema, F. (2022). *Decentralization and Social Service Delivery in Uganda : Acritical Analysis of the Decentralization and Social Service Delivery in Uganda : Acritical Analysis of the literature review*. November.
- Edgar, M., & Moses, N. (2023). *the Impact of Community Based Organisation on the Social Economic Transformation of Communities in Uganda a Case Study of Disaster Resilience Initiative Uganda*. 2(3), 856–875.

- Irumba, A., Nicholas, K., & Alex, I. (2024). *Electronic Banking and its Impact on Financial Performance: An Empirical Evidence of Centenary Bank*. 3(4), 104–111. <https://www.researchgate.net/publication/380154046>
- Jallow, M. A., Abiodun, N. L., & Weke, P. (2022). *Stochastic Forecasting of Stock Prices of Capital Assets Using Semi-Markov Model*.
- Jallow, M. A., Abiodun, N. L., Weke, P., & Aidara, C. A. T. (2022). Efficiency of Financial Ratios in Predicting Stock Price Trends of Listed Banks at Nairobi Securities Exchange. *European Journal of Statistics*, 2, 1–12. <https://doi.org/10.28924/ada/stat.2.9>
- Lydia, N., Ariyo, D., Kazaara, G., Kazaara, A. I., Brenda, T., Moses, N., & Bafaki, G. (2023). Promotion of Small-Scale Industries and Development of Business. A Case Study; Masafu Subcounty (Busia). In *International Journal of Academic Multidisciplinary Research* (Vol. 7). www.ijeais.org/ijamr
- Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. 6(7), 84–122.
- Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. 7(3), 124–145.
- Nicholas, K., & Nancy, M. (2024). *The Future of Work : Exploring the Impact of Automation and Remote Work on Organizational Structures and Talent Management . A Case Study the Metropolitan International University*. 8(8), 48–53.
- Ntirandekura, M., Ainebyoona, A., Registrar, D., District, B., & Commission, E. (2022). *Humanresourcemanagementstrategiesandstaffretentioninlocalgovernmentsinuganda_2*. 6(7), 89–103.
- Ntirandekura, M., & Christopher, F. (2022). *Human Resource Recruitment and Labour Turnover in Local Government : a Case Study of Kabale Municipality*. 6(7), 154–159.
- Peck, K., Rodericks, R., Irvin, L., Johnson, L., Tamashiro, J., Ching, L., Sentell, T., & Pirkle, C. (2020). Identifying best practices in adoption, implementation and enforcement of flavoured tobacco product restrictions and bans: Lessons from experts. *Tobacco Control*, 1–8. <https://doi.org/10.1136/tobaccocontrol-2020-055884>
- Sarah, A., Nafiu, P., & Abiodun, L. (2024). *Sustainability in the Fashion Industry : Strategies for Reducing Environmental Impact and Enhancing Profitability*. 8(8), 178–182.
- Winy, N. D., Ariyo, D., Kazaara, G., Kazaara, A. I., & Deus, T. (2023). Effect Of Motivation On Employee Performance In Non-Government Organizations (NGOS): A Case Of Mbale City. In *International Journal of Academic Multidisciplinary Research* (Vol. 7). www.ijeais.org/ijamr