

EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEES' PERFORMANCE IN SELECTED DEPOSIT MONEY BANKS (DMBs) IN NASARAWA STATE

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Abstract

The study examined the effect of human resource management practices of recruitment and training on employees' performance in selected DMBs in Nasarawa state. The study adopted the survey research design wherein primary data was collected using questionnaire from a sample of 260 employees of fifteen (15) DMBs in the state. Data were analyzed using the multiple regression analysis and the results indicated insignificant effects of recruitment and training on employees' performance. Based on that, the study recommended that banks should be focused on attracting the most qualified and most suitable employees for a job position. The requirements of these jobs should be clearly spelt out in the advertorials so as to only attract the suitable applicants. In addition, they should consider the use of electronic channels in the process as though it will reduce costs associated with the traditional system. Also, for training to be understood by the trainee, banks should design them in a simple and clear language not undermining the importance of adopting the best and most practical delivery style. This will create a shift from the traditional seminars and talks/ lectures which are many times not understood by the trainees.

Keywords: Human Resource Management, Recruitment, Training, Employee Performance.

INTRODUCTION

People now live in what is known as a global village as a result of globalization. The globe is becoming smaller and companies are getting bigger as a result of globalization. In this regard, the ability of the businesses to compete is necessary to meet the difficulties of globalization. Modern businesses are headed toward intense competitiveness in a constantly changing technological and economic environment. Organizations face increasing obstacles as a result of globalization and continually shifting client preferences (Fatema, et al., 2021). Due to the need for organizations to remain competitive and financially sound in a market that is both rigid and progressive and because of this, a greater emphasis should be placed on human capital. As a result, organizations should have a dynamic workforce made up of competent and effective workers (Fatema, et al., 2021).

Human resource management (HRM) is a critical field of study, well-recognized, and high-value activity. HRM is the effective and efficient use of workers to accomplish the organization's objectives, and it is about handling coworkers, being the human side of business administration with strategies, practices, laws and processes that influence the organization's workers (Arulrajah & Opatha, 2016). It stresses upon the aspect that human capital employed in any particular organization must be considered as the organization's asset instead of cost. Organizations, in general, employ a diverse set of HRM policies and procedures specifically related to recruitment, training, development, appraisal and organizational commitment in order to synchronize the HRM policies with the core business objectives of the organization (Huselid, 1995; Meyer & Smith, 2000).

Recruitment and selection is the process of attracting individuals on a timely basis, in sufficient numbers and with appropriate qualifications (Walker, 2009). Some of the processes in selection include screening applications and resumes, testing and reviewing work samples, interviewing, checking references and background. Organizations use these processes to increase the likelihood of hiring individuals who possess the right skills and abilities to be successful at their jobs (Walker, 2009). In an emerging economy like Nigeria, business organizations are to advance modern recruiting and selection strategy that will enhance quality of service delivery.

Training and development have become the most important factor in the business world today, because training has the tendency of increasing the efficiency and the effectiveness of both employees and the organization (Raja, et al., 2011). Training is designed to change or improve the behaviour of employees in the workplace so as to stimulate efficiency. The cardinal purpose of training is to assist the organization achieve its short and long-term objectives by adding value to its human capital. Training and development programmes are undertaken to make the employees capable enough to perform the assigned tasks efficiently and effectively and thus, employees feel more involved towards their jobs.

Statement of Problem

Nowadays, firms are left with no option than confronting great competition in the market due to the entry of new players along with the innovative business practices implemented by the existing companies (Panda & Jayarama, 2016). Therefore, firms desiring effective performance management should go beyond control and focus on performance improvement by encouraging learning and ensuring excellent performance leveraging the employees' efforts (Panda & Rath, 2014; Krishnaveni, 2010; Armstrong, 2009; Werner & Desimone, 2009). However, despite the enormous effort made by banks to ensure increase in the level of productivity such as provision of a comfortable atmosphere as well as aid tools which simplify employees' job, having a motivated and effective workforce has remained abysmal for banks as seen in the numerous cases of employees not meeting up with set targets, poor emotional management especially when interacting with customers and also a show of unwillingness to provide assistance to colleagues among other negative behaviors being exhibited.

This situation calls for an investigation into its antecedents with the aim of proffering solution and hence the motivation for this study which seeks to examine the effect of human resource management practices, specifically recruitment and training on employees' performance in selected DMBs in Nasarawa State. The following hypotheses stated in null form guided the study:

H₀₁: *Recruitment has no significant effect on employees' performance in selected DMBs in Nasarawa State.*

H₀₂: *Training has no significant effect on employees' performance in selected DMBs in Nasarawa State.*

LITERATURE REVIEW

Concept of Human Resource Management

According to Hue et al. (2021) human resource management is a systematic approach to manage employees successful within an organization in order to help achieve a competitive advantage in the market. It is structured to optimize workforce efficiency in the service of the employer's corporate objectives. Adari, et al., (2020) also held that human resource management can be defined as the management of an organization's employees which provides and maintains necessary balance of human resource for smooth operations of organization. Ling et al. (2018) posited that human resource management includes all activities relating to the deployment of correct people in the right place and managing the employment relationships within the workplace.

According to Stanton and Nankervis (2017) Human Resource Management can be defined as systematic process by which human capital or human resource are recruited and managed in such a way that it helps the organization to achieve its objectives. HRM is concerned about not only the organization but the wellbeing of the human capital involved, so it gives consideration not only towards recruitment and selection but also towards the motivation factors, development and maintenance of human resources. HRM helps to select the right person, for the right job, at the right time and at right position in a dynamic surrounding.

Concept of Recruitment

According to Isaac et al. (2018) recruitment is the process of finding the most appropriate persons to fill vacant positions/job in an organization. Also, Zirra, et al., (2017), defined recruitment as the disclosure of potential candidates for current or expected organizational vacancies or the act of connecting those with job vacancies and needs to fill the vacancy with those in search for the vacant job. Adam et al. (2017) defined recruitment as the match of expectation and abilities of expected candidates against the requirements and recompense inherent in a given job.

Yaseen (2015), sees recruitment as basically attracting and finding competent pool of candidates according to the requirements of the job or key position. Recruitment and selection form the basic foundation in which all HRM functions operate and could lead to jeopardy of other organizational functions where its conduct isn't done appropriately (Obed, 2018). Henry and Temtime (2018) posit that recruitment is the process of discovering or selecting and hiring or best qualified candidate from inside or outside of organization for a job opportunity. The recruitment process includes examining the necessities of work, drawing candidates to that occupation, screening and selecting candidates, contracting, and coordinating the new employee to the association. This duty rest sole on the HR departments of firms who are expected to choose the right person or best qualified candidate for the post in line with the organization's needs.

Concept of Training

Chumpon et al. (2020) defined training as a factor that influences employees' achievement which is in line with the changes and development in an organization. Training is the proper awareness employees have about the goals of the organization and strategies of the organization in order to increase his or her productivity. Similarly, Haase (2019) defines training as a human resource management's functions which is employed to address the difference between actual and expected performance. It is an organizational practice which aims at delivering information or guidance in order to enhance the efficiency or to help their employee to achieve the necessary level of knowledge or ability.

Waqar, et al., (2018) defined training and development as the processes of investing in people so that they are equipped to execute their duties with the hope of resulting into people being motivated to perform. According to Nushrat (2018) training is seen as the ability to survive and excel in the fast-changing competitive environment and also the need to organize, develop and manage their human resources effectively. Training according to Ikechukwu and paschal (2017) can be defined as a great way for employers to maintain a high job satisfaction rate among the employees and a high production rate from their extensive qualifications. All these can be achieved by way of advancing such employee's knowledge and skill necessary to perform such job.

Concept of Employee Performance

According to Afshan et al. (2012) employee performance is defined as the attainment of specific tasks by employees of an organization (through the effort applied by the employees within such organization) and is measured against the predetermined or identified standards of accuracy, completeness, cost and speed set by the organization. Employee performance is one of the greatest challenges most management face due to the competition in the world market. From some of the definitions above, this study defines employee performance as the extent to which an employee contributes to the achievement of the organizational goals. Furthermore, it is also seen as the related activities expected of a worker and how well they execute those activities.

Recruitment and Employee Performance

Noorul and Sajjad (2021) studied E-HRM practices and operational efficiency: evidence from Bangladeshi Garment Industry. Pearson's correlation coefficient and multiple linear regression analysis were utilized (using SPSS 24) to test the hypothesized relationships. Taro Yamane was used to arrive at a sample size of 527. The study found a comparatively weaker (insignificant) effect in case of e-recruitment and selection and e-job analysis on e-HRM practices. This study ignored the opinion of unselected members of the public. Similarly, Pratiti and Shweta (2021) investigated effectiveness of talent acquisition methods: a case study of ITC Sonar and Royal Bengal. Sample size taken was 30 and convenience sampling technique was used to select the sample from the population. The data was analyzed using MINITAB 14 software. This study revealed that selection process and the talent utilization of the employees are positive for the organization work culture and employee job satisfaction. A most suitable result would have been achieved using other method of data analysis.

Also, Arta and Enver (2020) examined the effect of human resource management practices on organizational performance using manufacturing enterprises in Kosovo as case study. The study made use

of primary data with a sample size of 39. Data were analyzed using correlation method of analysis. The study revealed that recruitment and selection practices show the strongest positive association with organizational performance compared to other practices. The sample size utilized in the study was too small to warrant generalization of the study findings.

Obed (2019) studied the analysis of effective recruitment towards organizational performance and competitiveness in Rwanda. This study used purposive sampling technique, and 30 respondents from numerous recruitment officers in Rwanda were selected. Questionnaire and in-depth interviews were used to obtain primary data. Correlation test was performed to analyze the interconnection between effective recruitment and organizational performance. The results showed that effective recruitment plays a vital role on organizational performance together with competitiveness. And thus, the study recommended that HR practitioners should stay tuned to changing environment especially in technology; the recruitment process should be flexible, adaptive and responsive to the immediate requirements. Little sample size may not be the true representation of the population.

Training and Employee Performance

Recent study by Fatema, et al. (2021) examined the effect of training and development on employee performance and productivity in Private Bank of Noakhali Region in Bangladesh. The study employed stratified sampling technique to draw a sample of 60 employees from a population of 70 employees. Descriptive statistics of respondents such as mean, standard deviation, sample variance, standard error, median, mode, Kurtosis, were used to analyze data. The findings of the study revealed that training not only increases employees' performance but also positively affects employees' motivation and job satisfaction within the Private banking sector in Bangladesh. Considering the small nature of the population size, the findings of the study would have been more relevant where census sampling employed.

Tran et al. (2021) studied the effect of human resource management practices on employee's job satisfaction using a case study of Japanese agribusiness in Vietnam. Structured questionnaire were distributed to 200 employees to collect the primary data out of which 179 useable were returned to test the research hypotheses. After collecting the data, SPSS, multiple regression, ANNOVA and correlation were used to analyze data. The study revealed that training and development has a significant and positive effect on employees' job satisfaction. The study suggested that extensive training and development programs should be offered for the employees by organization and employees should be trained on new technologies to develop their career.

Similarly, Pebrida et al. (2020) investigated the influence of training and development on employee performance. Hypothesis was tested using simple linear regression method. Primary data was collected using questionnaire with a sample size of 35 respondents out of a population of 60. The study found out that training had a significant and positive influence on the performance of employees. The study suggested that training and development should be maintained to further improve the performance of employee. A more reliable result would have been achieved wherein all the population were used as sample size.

Human Relations Theory

This theory was postulated by Elton Mayo in (1964) after conducting experiments to find out how individual employees behaved under certain work conditions. The study highlighted the importance of the relationship between various social factors and performance within an organisation. It was found that employee productivity and performance were considered as their functions and then compensated in the end. However, after the experiment, it was realised that in order for employee performance and production to increase, their needs had to be satisfied through motivation and with the right compensation packages (Lee, et al., 2014).

The Human Relations School of Thought was of the view that the performance of an organisation depends on the types of relationship between employees and managers. The managers should be able to have more concern for their employees by establishing favourable interpersonal relationships which goes to show that achieving organisational goals depended upon employees (Saeed, 2014). Human relations theory focuses on the individuals in a workplace and their needs in order for them to perform significantly better. The organisation should provide a great relationship between management and employees through employee

participation in the decision-making process (Dobre, 2013). In such circumstances, workers are exposed to morale enhancing conditions which focuses on their creativity and innovation and encourages them to perform to the expectations of the organisation (Odembo, 2013). This theory explains the behavior of employees especially as it relates to their performance given certain practices within certain organization. Therefore, it shows how practices such as that of HRM could lead to either increase or decrease in employees' performance and hence the theory's relevance to this study.

METHODOLOGY

The study adopted the survey research design to examine the nature of relationship between employee performance (dependent variable) and recruitment and training (independent variables). In this study, the target population comprised of all employees of selected deposit money banks in Nasarawa State. There are fifteen (15) banks currently operating in Nasarawa state. They include, Access, Eco, FCMB, First, Fidelity, GTB, Heritage, Jaiz, Keystone, Stanbic IBTC, UBA, Union, Unity, Wema, and Zenith with a total staff strength of 744 employees as obtained from the Human Resource Units of the selected banks. A sample size of 260 was determined using Taro Yamane formula. The study applied the stratified random sampling to select respondents from the total population using each bank as a stratum. Primary source of data was explored in getting important and useful information for the study. The data was gathered from respondents through questionnaire instrument structured on a 5-point Likert scale. Inferential statistics of multiple regression analysis with the aid of SPSS was used to test the hypotheses formulated at 0.05 level of significance. The model for the multiple regression analysis to test the two hypotheses formulated is specified thus:

$$EPF = \beta_0 + \beta_1 RCT + \beta_2 TRN + e$$

Where: EPF = Employee Performance, RCT = Recruitment, TRN = Training, β_0 = Intercept β_1 β_2 = Coefficient of Independent Variable, e = error term

RESULTS AND DISCUSSIONS

A total of 286 copies of questionnaire were distributed to the respondents which is inclusive of additional 10% provision for attrition out of which 268 were returned and valid after screening. Subsequent analyses were conducted using 268 representing 94% response rate.

Table 1: Correlations

		RCT	TRN	EPF
RCT	Pearson Correlation	1	.756**	.704**
	Sig. (2-tailed)		.000	.000
	N	268	268	268
TRN	Pearson Correlation	.756**	1	.707**
	Sig. (2-tailed)	.000		.000
	N	268	268	268
EPF	Pearson Correlation	.704**	.707**	1
	Sig. (2-tailed)	.000	.000	
	N	268	268	268

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

Source: SPSS Output, 2023

The table above shows the correlation result of the variables under study. The result revealed a positive relationship between recruitment, training and employees' performance. training has a positive relationship with recruitment which stood at 0.756 and significant at 5% level of significance. This however falls below the 0.80 multicollinearity measurement threshold (Berry & Feldman, 1985).

Table 2: Model Summary^b

Model	R	R Square	Adjusted Square	Std. Error of the Estimate	Durbin-Watson
1	.753 ^a	.567	.564	.71123	1.963

a. Predictors: (Constant), TRN, RCT

b. Dependent Variable: EPF

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	175.815	2	87.908	173.782	.000 ^b
	Residual	134.050	265	.506		
	Total	309.866	267			

a. Dependent Variable: EPF

b. Predictors: (Constant), TRN, RCT

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.022	.167		6.126	.000		
	RCT	.362	.057	.396	.670	.504	.428	2.337
	TRN	.372	.056	.408	.735	.463	.428	2.337

a. Dependent Variable: EPF

Source: SPSS Output, 2023

The result, as shown in the tables above revealed an R-square value of 0.567 which implies that 57% of the variation in Employees' performance (EPF) could be explained by the combination of recruitment and training. The remaining 43% variation could be explained by other factors not included in this study. The f-statistics stood at 173.782 and also the probability of the f-statistics was found to be significant at 5% level of significance ($p < 0.000 < 0.05$) which therefore, indicates that the model is fit to measure the association between the variables under study.

The regression result indicates that recruitment has insignificant effect on employees' performance which implies that banks have not conducted the recruitment exercise in a manner that will cause a significant increase in employees' performance. This may be in the form of attracting wrong caliber of applicants. The probability of t-statistics stood at 0.504 which is greater than 0.05 level of significance and as such the study accepts the null hypothesis which states that recruitment has no significant effect on employees' performance in selected DMBs in Nasarawa state. This finding disagrees with that of Pratiti and Shweta (2021), Arta and Enver (2020) and Obed (2019) who all found positive and significant effect of recruitment on performance.

The regression result indicates that training has insignificant effect on employees' performance which imply that training given to employees has not triggered desired level of performance. This could be due to poor design and/or delivery style of the training. The probability of t-statistics stood at 0.463 which is greater than 0.05 level of significance and as such the study accepts the null hypothesis which states that training has no significant effect on employees' performance in selected DMBs in Nasarawa state. This finding disagrees with that of Fatema et al. (2021) who found significant effect of training on performance of employees.

CONCLUSION AND RECOMMENDATIONS

Based on the results and findings, the study concludes that recruitment and training activities of banks have not supported superior employees' performance in the banks, and this is attributed to the lapses involved in the two processes. Therefore, this study recommends thus:

- i. Banks should be focused on attracting the most qualified and most suitable employees for a job position. The requirements of these jobs should be clearly spelt out in the advertorials so as to only attract the suitable applicants. In addition, they should consider the use of electronic channels in the process as though it will reduce costs associated with the traditional system.
- ii. For training to be understood by the trainee, banks should design them in a simple and clear language not undermining the importance of adopting the best and most practical delivery style. This will create a shift from the traditional seminars and talks/lectures which are many times not understood by the trainees.

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