Human Resource Management and Business Performance: A Study of Nigerian Banks in Ado Ekiti Metropolis

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Citation

Abstract
This study examines the relationship between human resource management practices and business performance of Nigerian banks in Ado Ekiti metropolis. The empirical study was conducted via a survey on 399 randomly selected respondents from all the participating banks in the survey. The results of the reliability analysis showed that the cronbach’s alpha and the calculated composite reliability of all the five constructs measuring HRM practices and business performance were well above the recommended minimum of 0.70. While principal components extraction, was the technique used to test discriminant validity. Consequently, the underlying hypotheses were analyzed using regression analysis, where factors manifesting business performance were regressed on the key factors manifesting human resource management practices. Findings shows a positive relationships between business performance and the various human resource management practices (recruitment and selection (Beta=.615, p< 0.05); training and development (Beta=.488, p< 0.05); performance appraisal (Beta=.749, p< 0.05); and compensation and reward practice (Beta=.795, p< 0.05)). It is therefore recommended that, to sustain the high level of business performance and competitive advantage, Nigerian banks requires talented and skilled workers that must be engaged and maintained in the economic interest of the organization. In addition, selection system based on modern and needed test is essential to effect desirable selection, while comprehensive compensation mix augmented by an effective system of disbursement will play an important role in attracting the best candidate, shaping employee behaviour and performance outcomes and facilitating retention of employees. Theoretically, the model in this study provides predictive implications on business performance of Nigerian banks, given the activities of the various human resource management practices. Hence, to improve business performance, banks could control their human resource management programme.
1. Introduction

Much work has been done on the impact of the human resource system on organization effectiveness (Greenberg, 1990; Mudrack, 1993; Okpara and Pamela, 2008; Ilies, Fulmer, Spitzmuller and Johnson, 2009). Pfeiffer (1994, 978), argued that, a company’s success in a complex market environment might not be entirely on potent technology, economics of scale and access to capital alone; but adoptability, innovation and speed are the major variables, which are actually associated with the human part of the organization. Consequently, Pfeiffer (1994, 1988) and other researchers (Mudrack, 1993; Judge, Scott and Ilies, 2006; Okpara and Pamela, 2008) posit for more emphasis on the improvement of business performance, through high involvement of human resource system and human resource practices. Pfeiffer also argued that the bulk of competitive advantages are largely derived from organization’s human resource. Despite the importance of human resource management to organizations, there seems to be little research demonstrating the causal link between human resource management practices and organizational performance (Bennett and Robinson, 2000; Kim, Lee, Lee, and Kim, 2010; Onigbinde and Awolusi, 2013). In addition, with few exceptions prior studies often focus only on manufacturing sector despite the fact that most employee work in the service environment. Although, few scholars have studied the impact of Human Resource Management (HRM) on performance in the banking sector, these studies often have importance methodological limitation. One of the primary problems, banks have with human resource management is that most do not have staff members dedicated to developing and implementing human resource management policies and procedures (Marcus and Schuler, 2004). As such, they do not value the impact of HRM in improving productivity, reducing turnover, and increasing overall employee satisfaction (Mangione and Quinn, 1975; Kish-Gephart, Harrison, and Trevino, 2010; Asikbia and Awolusi, 2013).

Consequently, the main objective of this study was to examine the effect of human resource management practices on business performance of Nigerian banks in Ado Ekiti metropolis. The specific objectives are:

i) to examine the effect of recruitment and selection on business performance of Nigerian banks in Ado Ekiti metropolis.

ii) to investigate the effect of training and development practices on business performance of Nigerian banks in Ado Ekiti metropolis.

iii) to examine the effect of performance appraisal system on business performance of Nigerian banks in Ado Ekiti metropolis.

iv) to investigate the effect of compensation and reward practices on business performance of Nigerian banks in Ado Ekiti metropolis.

2. Review of Related Literature

2.1. Conceptual Review and Theoretical Framework

Sims (2002) defines HRM as the process of attracting, developing, and maintaining talent and energetic workforce to support organization vision, mission, objectives and strategies”. Similarly HRM is the performance of all the managerial functions involved in planning for recruiting, selecting, developing, utilization and rewarding the potentials of human resources in an organization (Mangione and Quinn, 1975; O’Fallon and butter field, 2005). In focusing this study, the operationalisations of the HRM as depicted in figure 1, were distilled from various articles and empirical research on
HRM and business performance. According to Onigbinde and Awolusi (2013), HRM includes establishing objective and then developing and implementing programs (recruitment and selection, training and development, performance appraisal, and compensation and reward practices) to ensure that people are available with the appropriate characteristics and skills, when and where the organization need them.

This paper employs the human capital theory, Fredrick Herzberg’s theory and resource base view (RBV) theory. These underlying theories link the dependent variable to the independent variable.

The conceptual framework of human capital theory (Meyer and Allen, 1997; Becker and Bennett, 2006; Tomlinson and Greenberg, 2006) suggests the organization develop resources internally only when investment in employee skill are justifiable in terms of the future productivity. Moreover, the human capital theory also raises the possibility that firm may internalize employment when they can do so without investing employee development. Thus the decision to internalize or externalize employment rests on a comparison of the expected return of employee productivity. In the context of this study, the relationship between human resources management practices (recruitment and selection, training and development, performance appraisal, and compensation and reward practices) and business performance were to be validated.

Moreover, the Fredrick Herzberg’s theory posits that hygiene issues cannot motivate employee but can minimize dissatisfaction, if handled properly (Meyer, Becker, and Van-Dick, 2006; Marcus and Schuler, 2004). Furthermore, hygiene issue also addressed in salary or pay practice, and employee expects to be fairly paid for work done. If this expectation is not met, then employees will probably be dissatisfied with their jobs and this can adversely affect their productivity and turnover.

Furthermore, much of the empirical and theoretical work of human resources has been grounded in the Resource Based view (RBV) of the firm. This theory maintains that in order to develop a sustainable competitive advantage, organization must create resources in a manner that is valuable, rare, inimitable, and non-substitutable (Sims, 2002; Becker and Bennett, 2006). Becker and Bennett (2006) also argued that most resources that have historically provided organizations with competitive advantage are set when firm within an industry are heterogeneous with respect to the strategic resource they control and when these resource are not perfectly mobile across the firm, and thus, heterogeneity can be long lasting. RBV argued that these sources of value are increasingly available to almost anyone, anywhere, and they are easy to copy. In the context of this study, an appropriate HR system must created and develop organizational capabilities that become source of competitive advantage (Skarlicki and Folger, 1997; Loo, Ferrell and Mansfield, 2000). As a result, service firms constantly search for newer sources of competitive advantage and one of the most important being human resource management, and this have the potential to improve and sustain organizational performance (Tomlinson and Greenberg, 2006).

2.2. Empirical Framework

Early empirical studies found links between firm performance and individual HR policies, such as compensation to the importance of HR decision in understanding firm performance. However, the effect on performance in these studies have been substandard and mixed in practical terms. For example, Greenberg’s (1990) review found that, a measure of accounting profit, return on assets, was a deviation from the historical measures, such as HR effectiveness (Spector, 1997; Spector, Fox, Penney, Brusema, Goh and Kessler, 2006).

A second strand of research has investigated human resource management (HRM) factors as potential attentants of organisation’s performance. Ashman and Winstead (2006) also observed that, steel mills operating commitment-centered HRM system have higher productivity, lower scrap rates, and lower employee turnover than those with control – centered HRM system. Furthermore, Hollinger (1986) found that HRM practice such as employee recruitment and selection procedure, compensation and performance management system, employee involvement, and employees training have a significant impact on employee turnover and productivity, and on short and long term financial performance. Similarly, Huselid, Jacksons, and Schuler (1997) showed that HRM effectiveness is associated with increased financial performance as indexed by productivity, cash flow, market value (Umphress, Bingham and Mitchell, 2010; Youndt, Snell, Dean, and Lepah, 1996; Zoghi-Manrique-de-Lara, 2010).

Robinson and O’Leary-Kelly (1998) also reviewed empirical studies on the HR- performance relationship, and noted two particularly relevant trends. First, although strategies HRM focuses largely on the link between HR and business strategies, the largest bulk of research had been conducted at the corporate level analysis, when compared with studies that have used the establishment level. Secondly, with regard to the types of performance outcomes, they found that very few studies had examined HR outcomes, while many had used accounting and financial marketing measure.

Jones (1990) examined the relationship between HR practice and profitability in some selected banks in the US. In testing universalistic, contingences and configuration approaches to HRM, they found that, in general, HR practices were positively related to profitability (Warr, Cook and Wall, 1979; Vardi and Wiener, 1996; Verdi and Weitz, 2004; Jones, 1991).

A few scholars have studied the impact of human resources management on performance in the banking
industry. Jones (1991) conducted a survey of senior human resource executives in US banks in order to obtain information on the human resource policies used by the banks for their loan officers. Using a cross-sectional frame work that ignored the role of bank fixed effects, they found a positive correlation between the bank’s return on assets and equity; and the existence of profit sharing and employment security for loan officers, while controlling for the size and age of the bank. Consequently, based on the literature reviewed, to establish the relationship between HRM practices and business performances of Nigerian banks, the following hypotheses were set for this study:

H₀₁: Recruitment and selection have no significant relationship with business performance of banks in Ado Ekiti metropolis.

H₀₂: Training and development practices have no significant relationship with business performance of banks in Ado Ekiti metropolis.

H₀₃: Performance appraisal systems have no significant relationship with business performance of banks in Ado Ekiti metropolis.

H₀₄: Compensation and reward practice have no significant relationship with business performance of banks in Ado Ekiti metropolis.

3. Methodology

Survey research design was adopted in this study. This is used because better assessment and analysis could be made when those who are directly involved are used in the study. The data for this study was obtained from primary source through the use of questionnaire. For the purpose of this study the population of the study included all registered commercial bank in Ado Ekiti metropolis. Based on the population, random sampling technique was used to select 399 respondents from all the participating banks in the survey. These sample size comprised of junior, middle level and management cadre in the selected banks. The questionnaire was a close ended 5-point likert scale. In the questionnaire, participants were asked to answer two important sections; one with regards to the human resource management practices (recruitment and selection, training and development, performance appraisal and compensation and reward practice) and the other to business performance. In human resource management practices, they were asked to rate the degree of usefulness of 35 variables (measuring recruitment and selection, training and development, performance appraisal and compensation and reward practice) in association with their banks’ HRM implementation strategies; in business performance, they were also asked to rate 10 variables (business performance measures). Each of the variables contained questions with the rating based on an interval scale from 1 to 5, where 1 is “strongly disagree” and 5 is “strongly agree”.

Using data from a pilot study conducted on 45 respondents, via convenience sampling method, the results of the reliability analysis showed that the cronbach’s alpha of all the five constructs measuring HRM practices and business performance were well above the recommended minimum of 0.70, hence, the set of variables were consistent in what it was intended to measure (Wiener, 1982; Hair et al., 1998; Asikitia and Awolusi, 2013). Hence, the internal consistencies of variables, measured by interval scale items, in a summed scale was adequate in measuring the various constructs (Khong and Mahendiran, 2006). Furthermore, the calculated composite reliability scores were above the recommended 0.7, hence, the overall reliability of the whole scale (composite reliability) is assured (Onigbinde and Awolusi, 2013; Hair et al., 1998). In addition, Principal Components extraction, was the technique used to test Discriminant Validity, with a factoring method of “Principal Components”, applying an Orthogonal Varimax rotation with Kaiser’s normalization (Khong, 2005). Based on these conditions, 5 Factors were obtained (Kaiser’s criterion of retaining factors with eigenvalues greater than 1), which was consistent with the 5 variables used in the model. In addition, tolerance and VIF coefficients are also within the acceptable range (Hair et al., 1998) to maintain that there is no evident multi-collinearity problem. The assumption of independent errors was also tested with the Durbin-Watson, which monitors for serial correlations between errors. According to Hair et al. (1998), after performing factor analysis, regression analysis is a suitable path for analysis. Consequently, the underlying hypotheses were analyzed using regression analysis. This was on the premise that, multiple regression analysis is a convenient statistical technique to be used when the researcher requires analyzing the relationship between a single dependent variable and several independent variables (Hair et al., 1998).

4. Results and Discussion of Findings

To analyse the data collected via the survey instrument, an appropriate statistical procedure was subsequently formulated using the methodologies recommended by Hair et al. (1998). From the formulated methodologies, specific relationship between HRM practices and business performance were established.

4.1. Model Estimation

The estimated regression model is given as:

\[
Y = a + bx + \varepsilon
\]

Where:
- \(Y\) = dependent variable (business performance)
- \(X\) = independent variable (recruitment and selection; training and development; performance appraisal; and compensation and reward practice)
- \(a\) = intercept
- \(b\) = slope
- \(\varepsilon\) = Error term or stochastic variable
4.2. Hypothesis Testing

Table 1. Regression analysis showing the effect of recruitment & selection on business performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
<th>Sig. T</th>
<th>Beta</th>
<th>r</th>
<th>r^2</th>
<th>r^2</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>13.130</td>
<td>1.862</td>
<td>7.050</td>
<td>.000</td>
<td>.615</td>
<td>.615</td>
<td>.378</td>
<td>.366</td>
<td>31.007</td>
</tr>
<tr>
<td>Recruitment &amp; selection</td>
<td>1.598</td>
<td>.287</td>
<td>5.568</td>
<td>.000</td>
<td>.615</td>
<td>.615</td>
<td>.378</td>
<td>.366</td>
<td>31.007</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 1 shows that the correlation coefficient (r) was .615. It implies that there is positive relationship between business performance and recruitment & selection. The coefficient of determination (r^2) was .378 which implies that about 37.8% variations in business performance could only be explained by recruitment & selection while the remaining 62.2% were due to other variables outside the regression model which also affects business performance. The table above also reveals that recruitment & selection influence business performance with Beta value (.615, p< 0.05). The overall regression models is significant in terms of its overall goodness of fit as F calculated (31.007) is greater than F tabulated (4.02) at n-k degree of freedom. Consequently, recruitment & selection are positively related to business performance of banks in Ado Ekiti metropolis.

Table 2. Regression analysis showing the effect of training & development practices on business performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
<th>Sig. T</th>
<th>Beta</th>
<th>r</th>
<th>r^2</th>
<th>r^2</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>15.271</td>
<td>2.031</td>
<td>7.519</td>
<td>.000</td>
<td>.488</td>
<td>.488</td>
<td>.238</td>
<td>.223</td>
<td>15.940</td>
</tr>
<tr>
<td>Training &amp; development practices</td>
<td>1.454</td>
<td>.364</td>
<td>3.992</td>
<td>.000</td>
<td>.488</td>
<td>.488</td>
<td>.238</td>
<td>.223</td>
<td>15.940</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 2 also shows that the correlation coefficient (r) was .488. It implies that there is positive relationship between business performance and training & development practices. The coefficient of determination (r^2) was .238 which implies that about 23.8% variations in business performance could only be explained by training & development practices, while the remaining 76.2% were due to other variables outside the regression model which also affects business performance. The table also reveals that training & development practices influences business performance with Beta value (.488, p< 0.05). The overall regression models is also significant in terms of its overall goodness of fit as F calculated (15.940) is greater than F tabulated (4.02) at n-k degree of freedom. Consequently, training & development practices are positively related to business performance of banks in Ado Ekiti metropolis.

Table 3. Regression analysis showing the effect of performance appraisal system on business performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
<th>Sig. T</th>
<th>Beta</th>
<th>r</th>
<th>r^2</th>
<th>r^2</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>12.115</td>
<td>1.439</td>
<td>8.421</td>
<td>.000</td>
<td>.749</td>
<td>.749</td>
<td>.560</td>
<td>.552</td>
<td>64.978</td>
</tr>
<tr>
<td>performance appraisal system</td>
<td>1.743</td>
<td>.216</td>
<td>8.061</td>
<td>.000</td>
<td>.749</td>
<td>.749</td>
<td>.560</td>
<td>.552</td>
<td>64.978</td>
</tr>
</tbody>
</table>

Table 3 shows that correlation coefficient (r) was .749. It implies that there is positive relationship between business performance and performance appraisal system. The coefficient of determination (r^2) was .560, which implies that about 56% variations in business performance could only be explained by performance appraisal system while the remaining 44% were due to other variables outside the regression model which also affects business performance. The table also reveals that performance appraisal system influences business performance with a Beta value of .749 (p< 0.05). The overall regression models is also significant in terms of its overall goodness of fit as F calculated (64.978) is greater than F tabulated (4.02) at n-k degree of freedom. Therefore, performance appraisal systems are positively related to business performance of banks in Ado Ekiti metropolis.

Table 4. Regression analysis showing the effect of compensation and reward practices on business performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>T</th>
<th>Sig. T</th>
<th>Beta</th>
<th>r</th>
<th>r^2</th>
<th>r^2</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>10.643</td>
<td>1.396</td>
<td>7.625</td>
<td>.000</td>
<td>.795</td>
<td>.795</td>
<td>.632</td>
<td>.625</td>
<td>87.648</td>
</tr>
</tbody>
</table>

The table also reveals that compensation and reward practices influence business performance with Beta value of .795 (p< 0.05). The overall regression models is also significant in terms of its overall goodness of fit as F calculated (87.648) is greater than F tabulated (4.02) at n-k degree of freedom. Therefore, compensation and reward practices are positively related to business performance of banks in Ado Ekiti metropolis.
Table 4 above shows that correlation coefficient (r) was .795. It implies that there is positive relationship between business performance and compensation and reward practice. The coefficient of determination (r²) was .632, which implies that about 63.2% variations in business performance could only be explained by compensation and reward practice while the remaining 36.8% were due to other variables outside the regression model which also affects business performance. The table also reveals that compensation and reward practices influences business performance with a Beta value .795 (p< 0.05). The overall regression models is also significant in terms of its overall goodness of fit as F calculated (87.648) is greater than F tabulated (4.02) at n-k degree of freedom. Consequently, compensation and reward practice are positively related to business performances of banks in Ado Ekiti metropolis.

4.3. Discussion of Findings

Findings shows a positive relationships between business performance and the various human resource management practices (recruitment and selection (Beta=.615, p< 0.05); training and development (Beta=.488, p< 0.05); performance appraisal (Beta=.749, p< 0.05); and compensation and reward practice (Beta=.795, p< 0.05)). The result of this study is similar to previous empirical studies (Becker and Bennett, 2006; Fox and Spector, 1999; Greenberg, 1990; Hollinger, 1986; Khong and Nair, 2004; and Okpara and Pamela, 2008). In the context of this research, recruitment and selection are found to be positively related to business performance. According to Becker and Bennett (2006) and Fox and Spector (1999), recruitment and selection primarily aims at attracting maximum numbers of highly talented applicants and selecting the best to achieve long term competitiveness. To sustain the high level of competitive advantage a firm requires talented and skilled workers that must be engaged and maintained in the economic interest of the organization (Becker and Bennett, 2006; Fox and Spector, 1999). Selection system based on modern and needed test is essential to effect desirable selection. Similarly, training and development were also found to be related to business performance. Similar to previous studies (Greenberg, 1990; Hollinger, 1986), training and development generate tangible outcome like improved productivity, quality output, and resource optimization and intangible in terms of enhanced self-esteem, high morale and satisfaction of employees due to acquisition of additional knowledge skills and abilities. Since employees’ roles and responsibilities shift rapidly in line with environmental demands, it follows that some sort of training and development concerning new roles is vital to the success of employee and organisational performance (Becker and Bennett, 2006).

Corroborating Hollinger (1986) and Khong and Nair (2004), performance appraisal was also found to be significantly related to business performance. Lastly, the findings of this study have shown that compensation and reward practices were positively related to business performance. This also corroborate previous studies (Khong and Nair, 2004; and Okpara and Pamela, 2008). A comprehensive compensation mix augmented by an effective system of disbursement plays an important role in attracting the best candidate, shaping employee behaviour and performance outcomes and facilitating retention of employees (Becker and Bennett, 2006; Khong and Nair, 2004; and Okpara and Pamela, 2008). Hollinger (1986) observed that the compensation system is recognized as employee merit and it is widely linked with firm outcomes. Most of these studies conclude that an effective compensation and benefit system improve firm’s performance and reduce staff turnover.

Findings from this study also differ from previous studies (Appelbaum, Shapiro and Molson, 2006). For example, Bordia, Restubog and Tang (2008) found that steel mills operating commitment-centered HRM system have lower productivity, lower scrap rates, and lower employee turnover than those with control –centered HRM system. Furthermore, Hollinger (1986) found that HRM practice such as employee recruitment and selection procedure compensation and performance management system, employee involvement, and employees training have low significant impact on employee turnover and productivity.

5. Conclusion and Implication of Findings

5.1. Conclusion

The research investigated Human resource management practices and business performance of selected banks in Ado Ekiti metropolis. Results of the findings offered empirical support for the existence of a positive HRM practices such as recruitment and selection, training development, performance appraisal system and compensation and reward practice. Thus, on the basis of the literature reviewed, responses elicited from questionnaire administered and hypotheses tested, this study observed a significant relationship between HRM practices and business performance of banks in Ado Ekiti metropolis. All variables (recruitment and selection, training and development, performance appraisal system and compensation and reward practice) are found to be significantly related with the business performance of Nigerian banks and so we conclude that recruitment and selection, training and development, performance appraisal and compensation and reward practices play a vital role in the performance of Nigerian banks.

Specifically, Findings shows a positive relationships between business performance and the various human resource management practices (recruitment and selection (Beta=.615, p< 0.05); training and development (Beta=.488, p< 0.05); performance appraisal (Beta=.749, p< 0.05); and compensation and reward practice (Beta=.795, p< 0.05)). Consequently, to sustain the high level of business
performance, Nigerian banks requires talented and skilled workers that must be engaged and maintained in the economic interest of the organization. In addition, selection system based on modern and needed test is essential to effect desirable selection, while comprehensive compensation mix augmented by an effective system of disbursement will play an important role in attracting the best candidate, shaping employee behaviour and performance outcomes and facilitating retention of employees. The study also concluded that, management should encourage recognition of employee, appraise periodically, and put in place proper compensation and benefits to ensure that employee are satisfied and sustain in the organisation.

5.2. Managerial and Theoretical Implications

The study has help increased our understanding of how appropriate HRM practices can contribute to business performance in Nigeria banks given the extent of the prevailing global economic recession. In knowledge based competitive economy, the adoption of appropriate HRM practice is important to ensure effective strategy implementation. HRM practices create procedures that constitute the building of employee knowledge and skills throughout the organisation to promote unique and valued organisational competencies which support competitive advantage.

This study seems to be among the few examining the effect of HRM practices, in the perspective of how organizations fare after implementing HRM policies. The notion of HRM success and business performance was analyzed explicitly by assessing the business value derived from implementing HRM efforts. This gap was originally positioned as a critical area for future research by Becker and Bennett (2006) and Okpara and Pamela (2008). Another contribution of this study is the measurement of business performance, which was not limited to or focused on financial metrics, but encompasses diverse business indicators and perspectives, like Business performance measures. Becker and Bennett (2006) and Khong and Nair (2004) specifically identified this gap in the literature. This is on the premise that many researchers often use objective measures such as turnover and profit as a form of measuring business performance. However, according to Khong and Nair (2004), perceived measures can replace objective measures of business performance.

This study is of great importance to the Nigerian banking sector in the area of recognizing the fact that HRM in it’s entirely can improve the performance of the business. Specifically, when monitoring how employee are coping with employment changes and where many employee do not feel that they are effectively making the transitions then proper training and development must be put in place. In the same vein, providing advice to executive management to adopt a long term strategic approach to HRM that is more conducive to the development of employment relationships based on mutuality of organisational and individual goals expectation. Moreover, putting in place proper compensation and benefit system that take into account not only individual effort and performance, but also the long term building of the organisation and the development of the individual for future work assignments, either within the organisation or somewhere else are also important. Theoretically, the model in this study provides predictive implications on business performance of Nigerian banks, given the activities of the various human resource management practices. Hence, to improve business performance, banks could control their human resource management programme.

5.3. Limitations and Suggestion for Further Research

The findings of this study should be interpreted within the context of its limitations. First, the survey was conducted among banks in Ado Ekiti metropolis, consequently, the extent to which they are generalized or representative of the entire industry can be determined only by reference to the work of other authors. In addition to the above listed limitation, respondent may be biased toward the questionnaire provided and due to different background and different level of experience; they may answer such question based on thrown perception. Consequently, future research should expand their research by expanding the sample size in this study; since this could enhance the variety of perceptions. lastly, since only one perspective in each organization was collected – junior, senior and management staff; and for the fact that few respondents were chosen from each participant banks, it is not unreasonable to claim that a method bias may limit the research findings. Although the constructs were measured and conceived as “perceptual” ones identified by a rater, additional guidelines might be used in future studies to minimize this potential limitation, this may include the use of different methods to measure the independent versus dependent variables; or to call for multiple raters from different rater classes.

References


