
HUMAN RESOURCES MANAGEMENT AND ORGANISATIONAL PERFORMANCE: An Empirical investigation of first bank Plc, Akure in Ondo-State, Nigeria

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Abstract

The study examined the effect of human resource management on organizational performance (A case study of First Bank Plc, Akure). Specifically, the study examined the effect of recruitment and selection on performance of First Bank Plc, Investigated the effect of training and development on performance of First Bank Plc and Analyzed the effect of staff appraisal on performance of First Bank Plc The study employed survey research design. The population consists entire staff of first bank in Akure. The study employed primary data. The primary sourced of data was used via questionnaire to obtained information from the respondents. The study employed descriptive and inferential analytical tools. The study revealed that there is a positive association between recruitment and selection, training and development and staff appraisal on the performance of First Bank Plc in Akure. The regression result also proved that there is a significant positive relationship between recruitment and selection, training and development and staff appraisal on the performance of First Bank Plc in Akure. This means that if proper care is not taken during the recruitment and selection stage it is likely going to affect the performance of the bank. Also, if training and development as well as staff appraisal is not taken into proper consideration, it may seriously affect the performance of the bank. The study concluded that human resources management has positive effect on organizational performance. The study therefore, recommended that human resources management should be handled properly in the banking sector, since its enhance organizational performance.

Keywords: Selection and Recruitment, Training and Development, Staff Appraisal, Firm growth, First bank Plc, Akure, Ondo State

I.0 Introduction

Organizational performance is the major goal of any organization, that led to overall growth of any organization (Drucker, 2002). Human resource is the most crucial asset in any organization. It is paramount for the organizations to manage their workers effectively and efficiently. Human Resource is a way individuals or staff or workforce within the boundary of an organization they are responsible for performing the tasks assigned to them and they target to meet the organization aims and make the profit. Human resource can bring a sustainable competitive advantage by giving them different practices (Huselid, 1995). A company's success depends upon the workers. Human resource is considered to be more vital asset in any organization (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). In any organization, the workers must be treated as a valuable asset; the organization's mission will be realized in a better way if their

skills would be developed. Company current and potential human resources are essential considerations in the development and for the execution of its strategic business plan (Huselid, 1995).

Human resources comes across individuals, staff or workforce within or even outside the boundary of an organization who are responsible for performing the tasks assigned to them. The main aim of an organization's human resource team is to help the organization in achieving its goals. Human resource helps the organization in making sustainable competitive advantage (Huselid, 1995). Human capital, at times, is irreplaceable (Awan & Sarfraz, 2013). Despite this enormous vital of human capital, organizations don't pay attention to their workers. An organization should consider its workers' as valuable assets because their contribution to the organization will go a long way in helping the organization to achieve its vision and mission. The capabilities and skills of workers help the organization in surviving in the competitive environment (Rehman, 2011). The effectiveness of even highly skilled workers will be less if they are not motivated to perform. Improving ratings in key areas like the process and product quality, the reputation of the organization and in maintaining relations with society. Lack of satisfied of workers may cause problems for the organization (Syed & Yan, 2012). Human Resource Management (HRM) is all about the efficient and effective utilization of human capital of the organization. HRM policies and practices may either help or constrain workers in performing their roles (Ngo, Foley, Loi, & Zhang, 2011). Recently, the issue of the impact of HRM on the organizational performance received the considerable attention of researchers. Past studies showed that employee participation is positively related to performance, satisfaction, and productivity of an employee. (Bhatti & Qureshi, 2007). In practice, few organizations have made job satisfaction a top priority, (Bhatti, Qureshi, 2007). Human resource management practices are training, performance appraisal, employee participation, job definition and compensation shows a positive impact on employee job satisfaction and organizational performance.

Despite this vital role, many organizations such like banks are facing problems in attracting and retaining talented people. It requires an appraisal of HRM policies of an organization. In Nigerian banking sector, the link between human resource management and with organizational performance is not explored very much (Bhatti, Qureshi, 2007). During the last decade, the Human Resource Management field has shifted from a micro focus (Fey, Björkman, & Pavlovskaya, 2000). However, the researcher chose best-fitted practices like training, performance appraisal, employee participation job definition and compensation as independent variables (Amin, Khairuzzaman Wan Ismail, Zaleha Abdul Rasid, & Daverson Andrew Selemani, 2014). If the employee would satisfy, then it enhances the organizational performance. Today the employees are facing many challenges in the organization if organization workers are not satisfied, then it is not possible to increase the productivity level of the organization. Although the influence of HRM policies on organizational performance in the banking sector was recently evaluated (Amin, Ismail, 2014). Based on my knowledge, none of the study in the banking sector which had explored the effect of HRM on organizational performance using first bank plc, Akure as case study. Therefore, this study seeks to examine the effect of human resource management on the organizational performance (A case study of first bank plc, Akure in Ondo State)

2.0 LITERATURE REVIEW

2.1.1 Performance appraisal

Performance appraisal is the process to assess the individual performance and productivity. It means how well he or she is performing on the job and establishing the plan for improvement (Amin & Ismail, 2014). Performance appraisals are employed to determine who needs what training, and who will be promoted, demoted, retained, or fired. When people perceive an imbalance in their outcome-input ratios relative to others tension is created (Ramlall, 2004). If it is not present in an organization, it caused many problems like low morale, decreased employee productivity and low enthusiasm to support the organization, and it declines the organizational performance (Amin, Ismail, Selemani, 2014).

2.1.2 Training

Training is an act of teaching a person, a particular skill or type of behavior. Training means ways or manner used to give new or present workers the skills, knowledge, behaviors and other abilities they need to perform their jobs (Amin & Ismail, 2014). Training is improving the one's capability, skill, task and productivity. Training is aimed to modify individual's skills or attitudes (Harold, Fedor, 2003). Training is positively correlated with the job satisfaction, and job satisfaction is positively correlated with the organizational performance (Jones, Jones, Latreille, & Sloane, 2009).

2.1.3 Brief History of Firstbank Plc

The Bank First Bank of Nigeria Plc was created by Sir Alfred Jones, a shipping magnate, in 1894. First Bank of Nigeria Plc has provided excellent banking services and contributed to the economic advancement and development of Nigeria for over 113 years. Incorporated as a limited liability company with its head office originally in Liverpool. First Bank commenced business on a modest scale in the premises of Elder Dempster and Company Limited in Lagos under the name Bank of British West Africa (BBWA) with paid-up capital of £12,000.00 (Twelve Thousand Pounds). This was after absorbing its predecessor, the African Banking Corporation, which was established in 1892, the Bank also acquired its first competitor, the Bank of Nigeria (previously called Anglo-African Bank) which was established in 1899 by the Royal Niger Company.

In its early years, the Bank worked closely with the colonial governments of British West Africa by performing the traditional functions of a central bank, including the issue and distribution of specie in the West African sub-region. Consequently, the Bank recorded impressive growth, opening its first branch office in Accra, Ghana in 1896, and a second branch in Freetown, Sierra Leone, two years later (1898). These marked the beginning of the Bank's international banking operations.

By 1963, the Bank had 114 branches in West Africa, 59 of these were in Nigeria, 41 in Ghana, 11 in Sierra Leone, 1 in The Gambia and 2 in Cameroon. In 2002, the Bank established a wholly owned banking subsidiary in the United Kingdom, FBN Bank (UK) Limited, regulated by the Financial Services Authority (FSA). In this respect, the Bank is the first Nigerian bank to own a banking subsidiary in the UK. It also has a representative office in South Africa.

2.1.5 Human capital management and First Bank Plc

Looking at organization performance at optimum level of performance engages meeting human capital needs of the organization. This necessitates various activities by the personnel department of the bank. Such activities include recruitment, selection and placement as well as training, transfer and promotion. In the First Bank of Nigeria Plc, the procedure is for various operating departments to fill a particularly designed personnel requisition form and forward same to the personnel manager. There is provision for information such as qualification and experience (if any) of the prospective hires.

As a lead investor in the country's human capital endowment both in terms of the organization's own needs, and as part of a sustained capacity building initiative for the domestic economy the new face of the industry presented a couple of new challenges in the last financial year of the bank. A competent, flexible workforce, deployable on a "need to use" basis across customer touch-points, demand a clear focus on execution at the tactical level that often appears in conflict with the longer-term horizon of the bank's plans and most important, the utility of the legacy of investing in the human capital.

As usual, the organizations faithfulness to this legacy in the past years, as they sought a dynamic statement of financial position between the need to rejuvenate the workforce through injecting fresh hands at the entry level, and recruiting leading industry experts across the entire value chain. During the year 2007 review period, the Bank recruitment an additional 1,114 employees, comprising 715 executive trainees and 399 experienced hires. The Bank had total staff strength of 7,399 as at March 31, 2007. Of these, 12% were junior staff, 84% were senior staff and 4% were management staff.

As at 2019, first bank of Nigeria Limited is Nigeria's largest financial services institution by total assets and gross earning. First bank has over 750 branches providing a comprehensive range of retail and corporate financial services with more than 10 million customers accounts

2.2 Theoretical Review

2.2.1 Resource-Based Theory

The resource-based theory was propounded by Wernerfelt (1984) The resource-based approach assumed that firm predicts certain types of resources owned and controlled by firms have the potential to generate competitive advantage as well as superior firm performance. Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc The resource-based approach stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Peteraf & Bergen, 2003).

2.3 Empirical Review

Olalere, T. O and Adesoji, A. A (2017), examined the effectiveness of Human Capital Development Programmes of First Bank of Nigeria Plc. The study utilized both secondary and primary to collated data. The study revealed that the Human Capital Development Programmes of First Bank of Nigeria Plc have improved the skills, attitude and performance of staff of the bank which invariably has led to the achievement of organizational goals and

objectives. The findings also discovered the need for the bank to put in place motivational policies that will be attractive to the staff in order to retain them after the training and development exercise.

Moazzma, M. Muhammad, A and Usman, K (2017), examines the impact of human resource management practices on organizational performance. The study used primary data via questionnaire that had 49 items covering selected HRM practices and universities performance. The study revealed that management might be able to increase the level of the commitment in the organization by improving satisfaction with compensation, policies, and work conditions. Companies should involve their employees as they are viewed as an indispensable source of competitive advantage. The study concluded that if the employees are well aware of the organization environment, their duties, and objectives, they can better perform their tasks, and it helps the organization to enhance their productivity. A highly committed and competent workforce allows companies are succeeding these strategies and gain a competitive advantage as long as these procedures are communicated and the workforce is involved in both the formulation and implementation phases.

The above empirical reviewed showed that studies in this research area of effect of human resource management on performance of first banks is scanty and unavailable in the case of Akure in ondo state. Where a related study exists, the methodology centers on correlation; establishing only the relationship among the variables. However, this study seeks to analyzed the effect of human resource management and performance of First Bank Plc, Akure in Ondo state, with the aid of Multiple Regression Analysis and Descriptive Analytical Technique.

3.0 METHODOLOGY.

This study made use of survey research design, with focus on First Bank Plc, Akure in Ondo State. The justification for the choice of the first banks Plc is because it has more strength of staff than others deposit money banks operating in Akure. The study makes use of primary data. To get this data, questionnaire was administered to needed respondents to decide the desire data pertaining to this work. Likert scale was used in the questionnaire which samples the opinion of the respondents from strongly disagree, disagree, undecided, agree and strongly agree. The population of the study covered the entire staff of first bank plc, Akure in Ondo state. Sample and random sampling techniques was employed to select hundred (100) staff of first bank plc, Akure. This study was employed both Linear Regression Analysis and descriptive analysis. which include, frequency and percentage analysis and also Linear Regression Analysis was employed for inferential purpose.

The study develops regression model to capture the interrelationships between human resource management and organizational performance. The model estimated in the study is presented in functional and linear form below:

$$FG = F (RESE, TRDE, SAP)..... (i)$$

To make equation easy for empirical verification, we transform it in a multiple linear regression equation.

$$FG = b_0 + b_1 + RESE + b_2 TRDE + SAP \dots\dots\dots (ii)$$

Where:

FG= Firm growth, an index for organizational performance

RESE = Recruitment and Selection

TRDE = Training and Development

SAP = Staff appraisal

B = Parameter to be estimated

U = Error term

4.0 Model Estimation and Interpretation of Findings

This section shows the correlation of the characteristics of variable ranging from the descriptive, correlation and regression analysis

Descriptive Analysis

Table 1: Effect of recruitment and selection on performance of first bank Plc, Akure

	FX	N	Mean	Rating	Ranking	Sectoral Mean
Recruitment and Selection exercise process followed due process	294	60	4.90	High	1 st	4.62
Those employed by first bank are qualified	289	60	4.82	High	2 nd	
Proper Recruitment enhanced performance of first bank	283	60	4.72	High	3 rd	
Proper selection enhanced performance of first bank	283	60	4.72	High	3 rd	
Better handled of recruitment and selection increase performance	267	60	4.45	High	6 th	
There are no bias in recruitment and selection by first bank	268	60	4.47	High	5 th	
Qualified staff strengthens confidence of customer of first bank	274	60	4.57	High	4 th	
Recruitment and Selection has effect on performance of first bank	274	60	4.57	High	4 th	

Source: SPSS output

Table 2 indicates that the mean value shows that recruitment and selection has an effect on the performance of first bank because the sectoral mean (4.62) was above the average of 2.50 but in ranking recruitment and selection follows due process was the 1st, employee qualification was the 2nd, proper recruitment and proper selection was the third and last was Better handled of recruitment and selection. This means that First bank in Akure recruitment and selection procedure of First Bank in Akure has a positive effect on the performance of the bank.

Table 2: Effect of Training and development on performance of First Bank Plc, Akure

	FX	N	Mean	Rating	Ranking	Sectoral Mean
Training and development improve performance	285	60	4.75	High	2 nd	4.67
Training and development brings about innovation	285	60	4.75	High	2 nd	
Training and development has effect on performance	274	60	4.57	High	4 th	
Training leads to performance	278	60	4.63	High	3 rd	
Development bring positive change led to great performance	268	60	4.47	High	5 th	
Training and development of staff has moderate effect on performance	289	60	4.82	High	1 st	

Source: SPSS output

Table 3 indicates that the mean value shows that training and development has an effect on the performance of first bank because the sectoral mean (4.67) was above the average of 2.50 but in ranking training and development has moderate effect was the 1st, “Training and development improve performance” and “Training and development brings about innovation” were the 2nd, “Training leads to performance” was the third and last was Development brings positive change led to great performance. This means that Training and development of staff in First Bank Akure has a positive effect on the performance of the bank.

Table 3: Effect of Staff Appraisal on performance of first bank

	FX	N	Mean	Rating	Ranking	Sectoral Mean
Proper staff appraisal improve performance	273	60	4.55	High	2 nd	4.48
Proper promotion exercise will improve performance	273	60	4.55	High	2 nd	
Promotion encourage staff for better productivity	257	60	4.28	High	4 th	
Staff appraisal has positive effect on performance	262	60	4.37	High	3 rd	
Proper promotion and placement of staff will improve better performance	274	60	4.57	High	1 st	
Proper staff appraisal form strengthens the confidence that staff has toward management	274	60	4.57	High	1 st	

Source: SPSS output

Table 4, indicates that the mean value shows that Staff Appraisal has an effect on the performance of first bank because the sectoral mean (4.48) was above the average of 2.50 but in

ranking proper promotion and placement of staff and proper staff appraisal were the 1st, proper promotion exercise was the 2nd, staff appraisal has positive effect on performance was the third and last was “promotion encourage staff for better productivity”. This means that Staff Appraisal of First Bank in Akure has a positive effect on the performance of the bank.

Table 4: Correlation Matrix

	<i>FG</i>	<i>RESE</i>	<i>TRDE</i>	<i>SAP</i>
FG	1			
RESE	0.91	1		
TRDE	0.89	0.72	1	
SAP	0.81	0.67	0.71	1

Source: SPSS output

Table 5, indicates that there is a strong relationship between the dependent variable (Firm Growth) and the independent variables (RESE, TRDE, and SAP). Hence, performance of first bank is positively related to recruitment and selection (RESE), Training and development (TRDE) and also, staff Appraisal (SAP).

Regression Result

Table 5: Summary Output

<i>Regression Statistics</i>					
Multiple R	0.51757149				
R Square	0.78802526				
Adjusted R Square	0.66646500				
Standard Error	4.97323041				
Observations	60				
<table border="1"> <thead> <tr> <th>F</th> <th>Significance F</th> </tr> </thead> <tbody> <tr> <td>97.5725</td> <td>0.030317745</td> </tr> </tbody> </table>		F	Significance F	97.5725	0.030317745
F	Significance F				
97.5725	0.030317745				

Source: SPSS output

Table 6: Model Result

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	3.00490959	9.264863984	0.324333913	0.003
RESE	0.16246345	0.191930355	0.846470829	0.018
TRDE	0.10880189	0.14032933	0.775332494	0.021
SAP	0.06234885	0.214656441	0.290458792	0.012

Source: SPSS output

$$FG = 3.005 + 0.162RESE + 0.1081TRDE + 0.0623SAP$$

Table 6 and 7, indicated that recruitment and selection is positive and significant in enhancing the performance of first Bank in Akure. The $FG = 3.005 + 0.162RESE$ which indicates that bank performance of first bank increased by 0.162% for every 1% increase in recruitment and selection. The p-value of 0.018 is less than the significant value of 0.05 which shows that recruitment and selection is significant. The training and development coefficient is positive and significant in enhancing performance of First Bank in Akure. The $FG = 3.005 + 0.109TRDE$ indicates that bank performance increase by 0.75% for every 1% increase in training and development. The p-value of 0.021 is less than the significant value of 0.05 shows that training and development is significant.

The Staff Appraisal coefficient is positive and significant in enhancing performance of First Bank in Akure. The $FG = 3.005 + 0.623SAP$ indicates that bank performance increase by 0.62% for every 1% increase in Staff Appraisal. The p-value of 0.012 is less than the significant value of 0.05 shows that Staff Appraisal is significant. The Coefficient of variation (r^2) of 0.78 indicates that 78% of the variation in performance can be explained by RESE, TRDE and SAP. The remaining 22% can be explained by other related factors not noted in the regression model. The f-statistic value of 97.57 is significant at a p-value of 0.00. From the above, there is a significant effect of RESE, TRDE and SAP on the performance of First Bank. That means the null hypothesis is rejected and the alternative accepted.

Implication of the Findings

The study revealed that there is a positive association between recruitment and selection, training and development and staff appraisal on the performance of First Bank Plc in Akure. The regression result also proved that there is a significant positive relationship between recruitment and selection, training and development and staff appraisal on the performance of First Bank Plc in Akure. This means that if proper care is not taken during the recruitment and selection stage it is likely going to affect the performance of the bank. Also, if training and development as well as staff appraisal is not taken into proper consideration, it may seriously affect the performance of the bank.

The findings are in line with the findings of Jonathan, Moses and Willis (2012). Aruna (2014), Adeyem, Dumade and Fadare (2015), Ekwoaba, Ikeije and Uforma (2015) who found that there was a significant relationship between recruitment and selection and bank performance in organizations. The study also aligns with the Resource-Based theory which states that firms should constantly evaluate their workforce to ensure that they have the right people with the right skills in the right places to ensure sustained competitive advantage.

5.0 Conclusion and Recommendations

Based on the findings of the study, it was concluded that human resources management has positive effect on organizational performance when measured with recruitment and selection, training and development and staff appraisal. Therefore, the study recommended that human resources management should be handled properly in the banking sector, since its enhance

organizational performance. It also, recommended that banking sector should have a deep insight into the human resources management and the activities involved in the process.

6.0 Limitations of the study and Further Areas of Research

This study is limited by the inability to directly quantify human resources management in an attempt to track its influence on organizational performance in Nigeria, Moreso, the study could not cover a wide range of audience for the qualitative response measures adopted in the study, though these limitations does not by means erode the authenticity of discoveries made in the study. This study however suggests that further study investigation on human resource management should cover a wider scope, employing quantitative measures that can better represent the subject in the discourse of organizational performance in Akure, Ondo State.

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