

Human Resource Management Practices and Employee Performance of Deposit Money Banks Rivers State

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Abstract: *The study examined the relationship between human resource management practices on employee performance. The cross-sectional survey of the quasi experimental research design, was used for the study on a population consisting of 16 deposit money banks in Rivers State. The systematic sampling technique was adopted to draw 80 management staff the frame of 5 management staff per firm. performed. A Structured questionnaire was used as the primary instrument for data collection and the Spearman Rank Order correlation statistical tool was used for data analysis. The result revealed a significant positive relationship between training/development and employee performance, and a significant positive relationship between evaluation/appraisal and employee performance. The study therefore concludes that, there is a significant relationship between human resource management practices and employee performance of deposit money banks in Rivers State, and recommends that, deposit money bank management should ensure that training and development as well as evaluation/assessment/criteria should be clearly conveyed to employees and should be reviewed on a regular basis in order to improve employee performance in their organization.*

Keywords: *Employee performance, Evaluation/appraisal, Human resource management, Training and development.*

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INTRODUCTION

Organizations have moved their focus from purchasing more sophisticated equipment to improving employee performance in the modern day. Human capital management is a strategy that most businesses have adopted in order to increase employee performance and maintain a competitive edge. Given the rapid spread of technology and fierce rivalry among businesses, most companies have realized that the company's long-term viability is dependent on employee performance rather than the amount of equipment they can purchase.

According to Muda, Rafiki, and Harahap (2014), the wealth of infrastructure and physical facilities is meaningless to the sustainability of corporate operations without good staff performance. This shows that when it comes to elements that contribute to a company's long-term viability, employee performance is critical. Venkatraman and Ramanujun (2001), opined that organizational performance is a function of individual performance potential. Employee performance is critical to organizations since it contributes to the firm's competitive advantage. (Luthans & Stajkovic, 2004). As a result, employee performance can be defined as the efficiency with which an employee's specific behaviors contribute to the fulfillment of organizational goals. (Mushtaq & Latif, 2015). According to Ahmad, Shahzad, Waheed, and Khan (2014), based on the intrinsic attribute of human resource management practices, firms that embrace sound human resource management practices are more likely to have high-performing personnel.

Human resource management methods, according to Mohanta (2014), are a system put in place by enterprises to plan and control the actions of people for optimum performance. Manpower planning, worker compensation, training and development, quality evaluation, impact and effectiveness of workers' performance against defined criteria, and so on are all factors to consider. It is calculated by subtracting the value of human resources to the organization in terms of organizational productivity, employee satisfaction, innovation, and training returns, among other indices. Because it is the only resource that has life and a sense of direction, human resource is the most unique and challenging to manage of all the resources accessible to firms. Sometimes, Humans can be rational or irrational, predictable or unpredictable, and driven by diverse reinforcements, yet human resource management is still heavily reliant on human resource input. Onyenze (2016).

Human resource management is viewed as a strategic approach to managing employment relationships that emphasizes the importance of leveraging people's abilities in order to gain a competitive advantage, which is achieved through a unique set of integrated employment policies, programs, and practices. (Bratton and Gold, 2007). Human resource management is a concept that supports the human aspect of the management company and employees' relationships with their employers. Graham (1978) defined human resource management as "the process of ensuring that an organization's personnel are used in such a way that the employer derives the most potential value from their abilities and the employees derive both material and psychological benefits from their employment."

Several scholarly studies have examined numerous approaches to improve employee performance over the years. Based on their strong link, Ibrar and Khan (2015) investigated incentive as a predictor of employee performance. Pay and benefits are tools to increase employee performance based on their importance, according to Buckingham and Coffman

(2005). Employee performance is also influenced by job design. (Aroosiya & Ali, Ngugui, 2014; Ali & Zia-ur-Rehman, 2013). Other factors that have been found as predictors of employee performance include organizational climate, work-life balance, job qualities, and job satisfaction. (Uthayasuriyan, 1989; Evelyne, Kilika, & Muathe, 2018; Obiageli, Uzochukwu, & Ngozi, 2015; Inuwa, 2016).

Despite the numerous observed works on how to improve employee performance, there is a shortage of empirical studies in Nigeria, specifically in deposit money institutions, on how human resource management practices connect to employee performance. The gap discovered differs from prior empirical studies in that it examines how human resource management methods can increase employee performance while taking into account the moderating influence of corporate culture. This paper was inspired by the gap, this paper examines the relationship between human resource management practices and employee performance of deposit money banks in Rivers State.

Statement of the Problem

Due to the level of rivalry in the banking business, which has resulted in the liquidation of low-performing banks throughout the years, the issue of staff performance has become more important than ever before if the firm is to stand the test of time. Employee performance issues in the banking industry have a knock-on impact of poor service delivery. Employee performance is critical for a company's long-term viability, whereas bad employee performance leads to consumer dissatisfaction and loyalty loss. Low performance is a hindrance to banking firms' success since it causes clients psychological anguish and affects effectiveness, efficiency, productivity, and the firm's competitive edge. Human resource management strategies are good for businesses because they allow for opportunities for training and development, which can improve employee performance. Another consequence of poor employee performance is the loss of a significant amount of market share to competitors. Customers' high desire for high-quality services from their various banks, along with the incapacity to supply such services, has resulted in consumer unhappiness over time, which is undoubtedly detrimental to such firms in the long run. Furthermore, an employee's incapacity to adjust to changing conditions may have a psychological impact on them, resulting in low performance. When workers' performance is bad, it has a detrimental impact on their total achievement and the organization's returns in general.

Despite repeated efforts over the years to improve employee performance, the financial firm's problem of low employee performance endures. As a result, it is assumed that well-organized human resource management methods will aid in the resolution of the issue of low employee performance. As a result, it is not enough to just attract talent; it is also necessary to ensure that human resources are adequately managed in order to fulfill the needs of a dynamic market environment. In view of these multiple issues, this study investigates human resource management practices and employee performance of deposit money banks in Rivers State.

LITERATURE REVIEW

Concept of Human Resources Management Practices

Armstrong, (2016) Human resource management is a systematic, comprehensive, and consistent approach to the hiring, development, and well-being of employees in businesses. Human resource management, according to Boxall and Purcell (2016), is the process through which management grows the workforce and attempts to generate the human performances that the organization requires.

Al-Shuaibi, Shamsudin, and Subramaniam (2013) defined human resource management as "a method of managing people in a company that comprises interrelated tasks beginning before an employee is even hired until he or she has terminated employment." Human resource management, according to Wright and Kehoe (2007), as stated in Al-Shuaibi, Shamsudin, and Subramaniam (2013), entails various districts but linked activities that must be managed as a system in order for an organization to achieve its goals and objectives. The operationalization of human resource management procedures included employees' perspectives of performance appraisal, employment security, salary, and career advancement

Human resource practices, according to Barney (2005), are the key to achieving Sustainable Organizational Goals, and as a result, Performance and Human Resource Management practices should be viewed as a vital aspect of organizational strategy. In both the private and public sectors, human resource management is a critical instrument for gaining and maintaining a competitive advantage.

According to Annette Towler *et al.* (2011), Firms have beginning to recognize that human resources can provide a competitive advantage. According to Opatha (2010), human resource management is defined as the efficient and effective use of human resources to achieve an organization's objectives.

Aligning human resource efforts with a company's strategic goals has aided in the achievement of outstanding goals (Thite, 2012). Staff recruitment and selection, staff adaptation, staff education, staff evaluation, career development, and staff remuneration and motivation are all facets of human resource management techniques, according to Kucharikova, Tokarikova, and Blaskova (2015). In this setting, human resource management strategies will focus on training, compensation, performance appraisal, and employee relations.

Human Resources Management Practices is an important predictor of organizational performance and has the potential to promote organizational innovation (Shipton *et al.*, 2005). Human resource is the best resource in the organization and without human resource the organization is not possible to gain the success in the organization. Human resource management

activities include activities, policies, strategies, and practices that are involved in planning, organizing, leading, commanding, and cooperating, as well as obtaining, developing, utilizing, evaluating, maintaining, balancing, and retaining the appropriate number of people within an organization's internal environment (Appelbaum, 2001). This study in line with Dessler (2007) adopts training and development and evaluation/appraisal as the dimensions of human resource practices.

Training and Development

Manpower training and development is a method of achieving intellectual and emotional goals by allowing people to advance in their careers. It refers to a set of activities that an organization might do in order to increase its managerial capacity. In any discussion of strategic human resource management, manpower training and development is critical. The belief that it is now desirable to focus more attention on an area that has been relatively neglected in the past is influenced by the belief that every organization, regardless of its size, must provide for the needs, interests, and desires of its employees within the work environment if it is to earn the loyalty, dedication, involvement, and commitment necessary to compete effectively. According to Aja-Okorie (2014), training can be used to directly improve an individual's or a group's job abilities by teaching them how to perform their responsibilities more efficiently. Training and development come in form of the following:

Induction Training

Induction training is a form of introduction for new employees to enable them to function in a new profession or job capacity inside a company or organization. There are two types of training: systematic and non-systematic. Induction training is a methodical approach to learning. Natural learning is supplemented by a systematic intervention that is related to the organization's goals in the systematic model. McCourt (Mccourt, 2003). Induction training, according to Cushway (2011), ensures that new workers have a smooth transition into the organization by giving them with the information they need to get started. Induction training has the same objectives as the rest of the induction procedure.

On the Job Training

On-the-job-training is a method of training that takes place in the workplace. One of the earliest forms of training is on-the-job training, sometimes known as direct instruction (observational learning is probably the earliest). It is a one-on-one training session that takes place on the job site and involves someone who knows how to perform a task showing another how to do it. Most people's job in antiquity did not rely on abstract thinking or academic organization. Parents or community members who knew survival skills passed on their expertise to their children through direct training (Snell, 2013). Because the training takes place on the job, Nzewi (2015) claims that it can be highly realistic and that no transfer of learning is required. Staff managers with

competent coaching abilities create the requirement for performance standards in well-designed on-the-job training programs. (Snell, 2013).

Off the Job Training

Off-the-job training takes place at a location other than the workplace. It frequently employs lectures, case studies, role acting, simulation, seminars, and conferences, among other methods. This type of training takes place in a facility that is specifically created for it. It could take place near or far from the job, at a particular training center or a resort. Taking the training away from the workplace reduces distractions and allows trainers to focus entirely on the information being taught. Off-the-job training takes place at a location other than the workplace. It frequently employs lectures, case studies, role acting, simulation, seminars, and conferences, among other methods. The most popular type of training is off-the-job training. It accounts for three to six times the amount spent on other types of training. (Kazanas & Rothwell, 2004).

Evaluation/Appraisal

The evaluation of employees is carried out since it determines their performance as well as the motivation of employees. When evaluating staff performance, it's important to make sure that the focus is on the employees' abilities rather than their personalities (Okafor, 2006). Akposheri (2000) discovered that there was a substantial relationship between highly rated workers and their academic success.

Every action or inaction of an individual is powered by a visible or unseen force termed motivation, according to Onyeze (2014), and it is the study of employers to find ways to angle employee motivation toward positive performance. Thus, the employee assessment is based on the goal that, although an employee is being reviewed or appraised for the job he or she has done thus far, the employer must also devise a means of persuading the employee to continue or perform better. Evaluation gives essential information for making decisions on many personal elements of employees, such as job knowledge, understanding subordinates, performance evaluation, identifying training needs, transfer, promotion, and employee motivation, among other things.

Performance appraisal can be defined as a periodic evaluation of an individual's output in comparison to predetermined goals. (Yong, 2002). The method entails assessing and watching employees' performance in the workplace against pre-determined standards. In the management of human resources in an organization, performance appraisal is critical. The process and methods used by corporations to determine the level of performance of their personnel are referred to as performance assessment or performance evaluation. This strategy usually entails assessing employee performance and offering comments on the extent and quality of that performance. (DeNisi & Pritchard, 2006).

Concept of Employee Performance

Employee performance, according to Nmadu (2013), is a measure of how well an employee completes the tasks that make up their job. Employee performance is the fulfillment of a given work judged against pre-set standards of accuracy, completeness, cost, and speed, according to the definition supplied by business dictionary (2010). The term "employee performance" refers to an individual's work accomplishment after putting in the necessary effort on the job, which is linked to having meaningful work, an engaged profile, and compassionate coworkers or employers (Hellriegel, Jackson, & Slocum, 1999; Karakas, 2010).

Employees' activities and output must contribute to the organization's goals, according to workplace managers. Productivity, quantity of output, quality of output, timeliness of output, presence or attendance on the job, morale at work, efficiency of work finished, and effectiveness of work completed are among the various indicators of employee performance defined by Mathis, Fredrick, and Kenneth (2009). Performance is measured in terms of production, work satisfaction, turnover, and absenteeism, according to Nmadu (2013). Employee performance, according to Gibson (2012), is a measure of employee morale, as well as the effective and efficient accomplishment of mutually agreed responsibilities by employees, as defined by the employer.

Based on the review of literature, the following conceptual framework was designed:

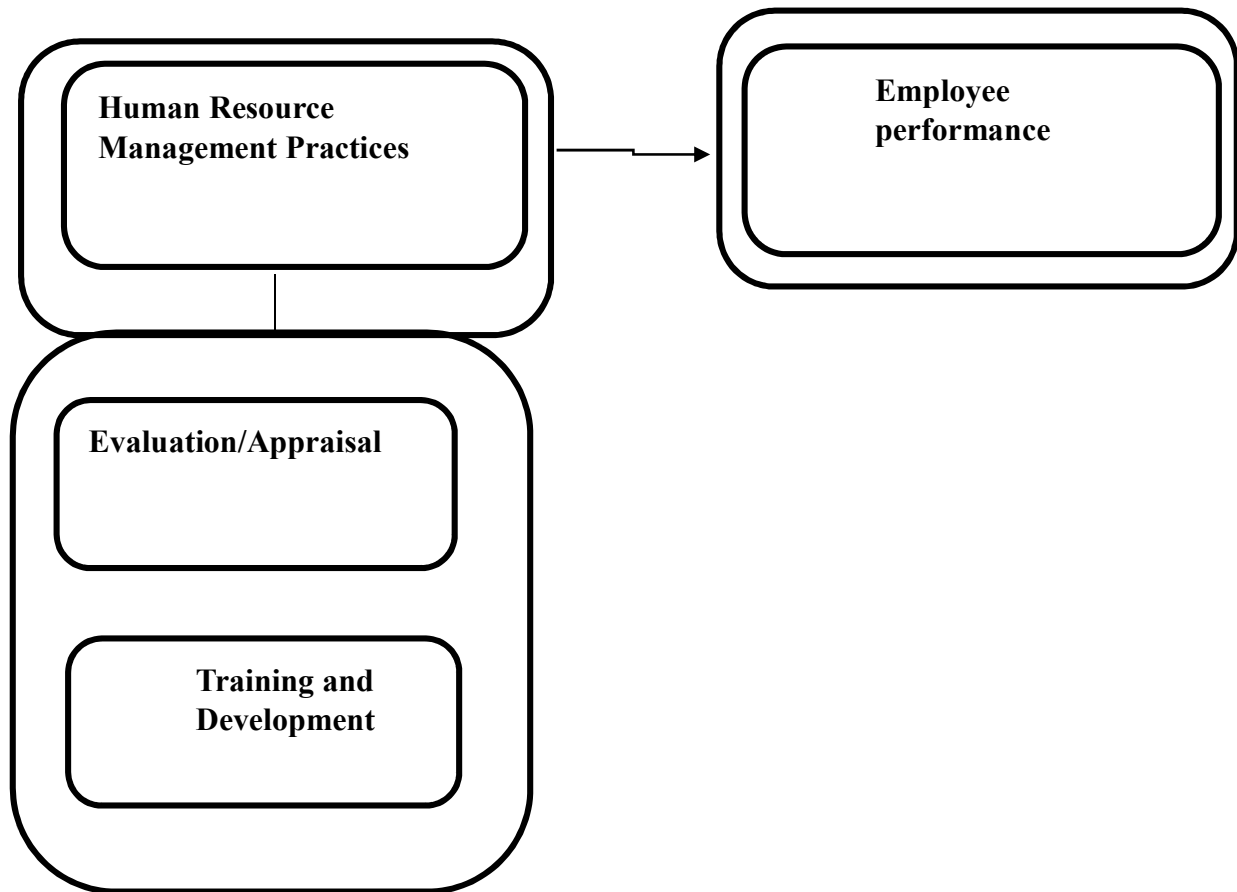


Fig 1 Conceptual model of the relationship between human resource management practices, employee performance.

Source: Adapted from Dessler (2007) and Onasanya (2012).

From the conceptual framework, the following hypotheses were formulated as a guide to the achievement of the objective of the study:

Ho₁: There is no significant relationship between training and development and employee performance of deposit money banks in Rivers State.

Ho₂: There is no significant relationship between evaluation/appraisal and employee performance of deposit money banks in Rivers State.

RESEARCH METHODOLOGY

The cross-sectional survey of the quasi experimental research design, was used for the study on a population consisting of 16 deposit money banks in Rivers State. The systematic sampling technique was adopted to draw 80 management staff on a frame of 5 management staff per firm. A Structured questionnaire was used as the primary instrument for data collection and the Spearman Rank Order correlation statistical tool was used for data analysis.

RESULTS AND DISCUSSIONS

This chapter presents the data acquired from the field exercise. It further analyses the data with a view of making meaning out of them. Out of the 80 copies of questionnaires administered to the sample respondents, 76 (95%) was retrieved after series of continuous follow up but then 72 was found useful which represent 55% response rate. This rate was considered significant for the study.

Relationship between Training and Development and Employee Performance

Table 2: Correlations between Training and Development and Employee Performance

		Training and Development	employee performance	Evaluation/Appraisal	
Spearman's rho	Correlation	1.000	.837**	.678**	
	Training and Development	Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	76	76	76
	employee performance	Correlation	.837**	1.000	.710**
		Coefficient			
		Sig. (2-tailed)	.000	.	.000
		N	76	76	76
	Evaluation/Appraisal	Correlation	.678**	.710**	1.000
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	76	76	76

Source: SPSS Window Output, 2024

Column two of Table 2 shows r value of 0.837 at a significant level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating to training and development on employee

performance. Since the significant level is less than the alpha level of 0.05, the null hypothesis (H_{o1}) which states that there is no significant relationship between training and development and employee performance of deposit money banks in Rivers State was rejected and the alternate hypothesis (H_{a1}) was accepted. This implies that there is a very strong significant relationship between training and development and employee performance.

Column three of Table 2 shows r value of 0.678 at a significant level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating to evaluation/appraisal and employee performance. Since the significant level is less than the alpha level of 0.05, the null hypothesis (H_{o2}) which states that there is no significant relationship between evaluation/appraisal and employee performance of deposit money banks in Rivers State was rejected and the alternate hypothesis (H_{a2}) was accepted. This implies that there a strong significant relationship between evaluation/appraisal and employee performance.

The test of hypotheses one revealed that there is a significant positive relationship between training/development and employee Performance. This implies that management of deposit money banks in Rivers State who display the act of training, compensating and appraising their employee results to a corresponding improvement of employee performance such as target delivery, employee efficiency and quality of works. This is eminent from the fact that employees are core of every organization and as such they play a vital role for organization to achieve success. Therefore, the findings of Aja-Okorie (2014) supports that training can be used to directly improve an individual's or a group's job abilities by teaching them how to perform their responsibilities more efficiently. Production workers, for example, may learn how to manage certain bookkeeping aspects related to their jobs. Refresher classes, seminars, and workshops are available to employees. Training is undeniably important in achieving the productivity target. It keeps staff up to date and allows them to use modern banking techniques. Individuals profit from training, while the paying business benefits from increased output. Consequently, Waqas, Yasir, and Muhammad (2016) found that Employee performance is clearly dependent on Human Resource Management techniques, but salary is more important for employees.

The test of hypotheses two revealed that there is a significant positive relationship between evaluation/appraisal and employee performance. This implies that improvement in employees' physical engagement via appraising, leads to resultant improvement of achieving objectives of employee performance of deposit money banks in Rivers State and target delivery. This is because employee in organization has their assigned tasks and they are responsible for accomplishment.

Supporting the above finding, Shelley (2015) asserts that employees that perform well are required to maintain a competitive edge. Any company's success is entirely contingent on the

performance of its personnel; therefore, evaluation should be based on that. The enhancement of employee work performance is a critical aim for businesses. Tekalegn, Solomon, and Gobre (2016) found that establishing performance standards, communicating established standards, assessing actual performance and comparing it to standards, discussing the appraisal and providing feedback, and signaling corrective action with employee performance are spectacular to improving and achieving the best of employees.

CONCLUSION AND RECOMMENDATION

The study examined the relationship between human resource management practices on employee performance. The outcome of the statistical test revealed a significant positive relationship between training/development and employee Performance, and a significant positive relationship between evaluation/appraisal and employee performance. Given the ever-changing nature of the corporate sector, it is essential to state that, training and development and evaluation/appraisal in an organization helps to ensure improved performance. The study therefore concludes that, there is a significant relationship between human resource management practices and employee performance of deposit money banks in Rivers State, and recommends amongst others that, deposit money bank management should ensure that training and development as well as evaluation/assessment/criteria should be clearly conveyed to employees and should be reviewed on a regular basis in order to improve employee performance in their organization.

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