



Human Resource Management Practices and Organisational Performance of Deposit Money Banks in Choba, Rivers State

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Abstract

This study investigated the impact of human resource management practices on organisational performance of deposit money banks in Choba, Port Harcourt. Human resource management practices stand as the predictor variable and was proxied by training & development and recruitment & selection while organisational performance stands as the criterion variable. The study was anchored on the resource-based theory as baseline for the research. The survey research design was employed and this is because the study involved the investigation of opinion of a large number of people and the inferences are drawn from the investigation. The study made use of primary data which were gotten from the issue of questionnaire. The ordinary least square analysis technique was used to test the hypotheses with the aid of Statistical Package for Social Sciences (SPSS) version 25.0. The result revealed that human resource management practices have significant and positive impact on organisational performance. Based on the findings, the study recommended that due to the significant impact of human resource management practices on organisational performance, that human resources management practices should be handled properly in deposit money banks, since it enhances organisational performance, and that deposit money banks should have a deep insight into the human resources management practices and the activities involved in the process.

Keywords:

Money Deposit Banks. Training & Development. Recruitment & Selection. Organisational Performance.

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Introduction

The extent to which a club, company, corporation, or corporate body achieves its objectives explains the concept of organizational performance. Organisational performance refers to management quality, management progress, employee performance, representative retention, customer satisfaction, and relationships between management and agencies (Caliskan & Nemli, 2010). According to the literature, the human component of an organisation is an individual who has the ability to learn, change, improve, and, if properly stimulated, drive innovation, which ensures the organization's long-term survival (Danlami, 2012). Human resources have demonstrated that they may be both beneficial and detrimental. Furthermore, studies have shown that the methods used by an organisation to manage its human resources can have a significant impact on the organization's overall results (Eniola& Elizabeth, 2013). Organisations hire professionals that are prepared to respond quickly to natural changes and create success plans when confronted with obstacles such as a financial crisis.

The accuracy of selection and training, payment, benefits and qualifications required for system implementation, and analysis of employee performance are all responsibilities of human resource management department. Human resource management is an essential, organised, and conscious method for improving the employment, advancement, and prosperity of an organization's employees (Benjamin & Anthony, 2014). It is founded on sound, logical assumptions from behavioural research, as well as ideas about crucial management, human capital, and mechanical interactions. Human resource management approaches, methods, and frameworks influence agent behaviour, mental state, and performance (Fahad, Nadeem, &Samsaa, 2015).These resources, together with understanding, form the foundation of the organisation. In addition, it assists in managing people in higher-level positions within the organisation. The goal of human resource management is to ensure that businesses attract and retain people who are talented, hard-working, and well-promoted.

Many studies have examined the impact that human resource management methods have on an organization's performance. These studies have demonstrated that human resource management practices have a significant impact on an organization's performance. Despite this, few studies have been conducted on deposit money banks in the Choba, River State. This study examined how human resource management activities influenced the organisational performance of deposit money banks in Choba, River State.

Aim and Objectives of the Study

The aim of the study was to determine the impact of human resource management practices on organisational performance of deposit money banks in Choba, River State. The Specific Objectives are to:

- i. Examine the impact of training & development on organisational performance of deposit money banks in Choba, Port Harcourt.

- ii. Ascertain the impact of recruitment & selection on organisational performance of deposit money banks in Choba, Port Harcourt.

Research Hypotheses

In examining the impact of human resource management practices on organisational performance, the following null hypotheses were formulated and tested:

HO₁: Training & development does not impact on organisational performance of deposit money banks in Choba, Port Harcourt.

HO₂: Recruitment & selection does not impact on organisational performance of deposit money banks in Choba, Port Harcourt.

Literature Review

Theoretical Framework

The resource-based theory provides the theoretical foundation for their study. The researcher picked this theory because it is relevant to this study and addresses both human resource management and organisational performance. The theory will also aid in the understanding of human resource management practices and organisational performance, as well as the analysis and conclusion-drawing process. Wernerfelt proposed the resource-based theory in 1984. According to the resource-based approach, a society may achieve higher performance and a competitive edge by determining the sorts of resources it has and controls. Capabilities, organisational processes, social characteristics, information, and knowledge are considered societal resources. According to the resource-based approach to strategic management, the fundamental resources and drivers for companies with a competitive advantage and superior performance are primarily related to the characteristics of their resources and capabilities, which are costly and valuable (Peteraf & Bergen, 2003).

Conceptual Framework

Human Resource Management

Bakke (1966) was the first to define "human resource management," arguing that the effective use of resources to achieve organisational goals was the type of activity typical of any management function. Human resources functions are concerned with the knowledge, maintenance, development, successful employment, and integration of human resource potential.

Despite this, the Michigan "matching model" (Fombrun et al., 1984) and Beer et al.'s (1984) Harvard framework (Boxall & Purcell, 2008) have led to a greater understanding of HRM, highlighting the need to shift HRM beyond selection and compensation to address larger questions that require a more comprehensive view.

According to the matching HRM model, HR systems and organisational structures should be managed in a way that is consistent with the organization's strategy. This model also explains that every company has a human resource cycle that consists of four common operations: selection, evaluation, recognition, and growth. According to the Harvard Framework,

historical personnel issues can only be resolved when general managers develop a perspective on how they want their employees to be involved and developed by the company, as well as which HR policies and procedures can achieve these goals (Ezejiofor, JohnAkamelu, &Iyidiobi, 2017).Without a central philosophy or a strategy that general managers may offer, HRM is likely to consist of a series of discrete activities guided by traditional practices. In this situation, it is necessary to have a look into the future while managing people and viewing them as opportunities that just cost different amounts of money (El-Ghalayini, 2017).

Training and Development

In terms of increasing work capacity, training and development constitute a subsystem. Human resources are the most significant of all an organization's resources; hence, the organization's human development should be carefully considered (Gajanayake, 2006). In contrast to development, training refers to the preparation for a mission. According to the literature, training is the use of structured and methodical exercises to advance knowledge (Ghafoor, Khan & Khan, 2009). Include the use of formal procedures to provide information and assist people in obtaining the resources they need to carry out their duties properly.

According to Fatima and Tayyaba (2011), the focus of training is on practical skills and the implementation of approaches and procedures. As a result, training provides people with the tools they need to perform well and maximise their abilities. Furthermore, the literature has demonstrated that training is a method for developing and improving abilities related to performance, which leads to better business results (Osemeke& Monday, 2015).

Recruitment & Selection

Recruitment is the practice of announcing job openings with the goal of attracting qualified candidates to meet the needs of an organisation. It is considered a positive procedure (Alinno&Igwe, 2017). Secondly, Taylor (2008) argues that "recruitment involves actively soliciting applications from potential employees, which is considered a positive activity that requires employers to sell themselves in 5 the relevant labour markets so as to maximise the pool of well-qualified candidates from which future employees can be chosen" . According to Etomi (2002), recruitment is the process of attracting a sufficient number of people who have the necessary qualifications, experience, skills, and other characteristics to demonstrate their interest in working for the company.

Recruitment is the process of creating a pool of competent candidates for organisational positions (Mathias & Jackson, 2004). Selection is the process of examining persons who have been sought out and recruited in order to determine whether or not they can be hired. It is also the process of selecting the individual or individuals who best fulfil the job's requirements. "Selection is a decision-making activity: the psychological calculation of suitability" (Price, 2005). According to Taylor (2008), "selection techniques are used to determine which of the applicants is best suited to fill the vacancy in question." According to Etomi (2002), selection comprises identifying candidates from the recruitment pool who best meet the company's employment requirements. Furthermore, it is the procedure by which recruited candidates are

removed from consideration for future opportunities. According to Yoder and Staudohar, "the selection consists of separating the job candidates into two categories: those who will be hired and those who will not be hired." While recruitment is seen as a positive activity, selection is regarded as a negative action in the sense that it entails selecting the best and removing the rest (Taylor, 2008).

Organisational Performance

According to Whooley (1996), performance is a socially constructed reality that exists in people's minds, rather than an objective reality that is awaiting evaluation. According to the author, performance can encompass the following elements: components, products, outcomes, and effects. This concept can also be associated with economy, efficiency, cost-effectiveness, or equality. Lebas (1995) and Whooley (1996) argue that performance is interpretative and subjective, particularly in terms of cost lines, highlighting the ambiguity of the concept. According to Rolstadas (1998), the operation of an organisational system is a complex relationship that meets the following performance criteria: efficiency, efficacy, quality, and production.

The preceding empirical study revealed that research on the influence of human resource management on the performance of deposit money banks in Choba, Port Harcourt, Rivers State, is limited. When there is a relevant research, the methodology focusses on the correlation; specifically, it aims to establish the relationships between variables. This study used ordinary least squares (OLS) analysis and descriptive methodologies to examine the impact of human resource management practices on deposit money institutions in Choba, Rivers State.

Empirical Review

Olalere and Adesoji (2013) examined First Bank of Nigeria Plc's Human Capital Development Programmes. In this study, both primary and secondary data were used for analysis. According to the research, First Bank of Nigeria Plc's human capital development programmes have improved the capabilities, prospects, and performance of its employees, resulting in the unavoidable attainment of the organization's goals. Furthermore, the findings showed that the bank must establish attractive motivation policies in order to attract employees after training and development.

Mehmood, et al (2017), examined 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 aware of the organization's 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 enables companies to succeed in strategy development and implementation 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 preceding empirical evaluation revealed that there are few or no studies in this research field on the influence of human resource management methods on the organisational performance of deposit money banks in Choba Rivers State. When there is relevant research, the methodology focusses on correlation; it only creates relationships between variables. Despite this, this study examines how human resource management techniques affect the organisational performance of deposit money institutions in Choba, Rivers State, using both ordinary least squares (OLS) analysis and descriptive statistics.

Methodology

The study employed a survey research design based on the literature and theoretical framework that were examined. This is due to the fact that the research considers the opinions of a wide range of individuals and draws conclusions from them. The study focused on deposit money banks in Choba. The research used primary data derived from the questionnaire. The research was conducted at Choba, Rivers State. The investigation focused on a few selected money deposit institutions, including Access Bank, Zenith Bank, First Bank, Eco Bank, UBA, and Fidelity Bank.

Using Krejcie and Morgan's (1970) formula to determine the sample size to use in this study led to a sample size of 136 from a population of 210 staff that participated in the study.

Valid structured questionnaires consisting of six elements were used to measure responses. All questions were scored on a Likert scale of 1 to 5 (Strongly Agree to Strongly Disagree). Furthermore, Cronbach's alpha was used to assess the validity of the questionnaire. All of the items had high reliability scores since they exceeded the 0.7% coefficient and the usual Cronbach Alpha value suggested by Nunnally and Bernstein (1994). Overall, 136 copies of the questionnaire were distributed; 127 were returned, 9 were incomplete, and 118 were usable. As a result, the analysis for this study was based on a sample size with an acceptable response rate of 93.38%.

The dependent variable is organisational performance (OP), whereas the dimensions of the independent variable (human resource management practices) was proxied by Training & Development (TD) and Recruitment & Selection (RS). The data was analysed using the partial least square structural equation modeling technique using the Statistical Package for Social Science (SPSS), Version 25.

Results and Discussion

Table 1 Questionnaire Administration and Response Rate

Questionnaire Distribution and Retrieval

Questionnaire	Frequency	Percent
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Distributed	136	100%
Not retrieved	9	6.62%
Retrieved	127	93.38%
Useful response	118	86.76%
Not used	9	6.62%

As shown in Table 1, the study requested information from all 136 respondents sampled; however, only 127 completed the questionnaires completely, accounting for a 93.38 percent response rate. Nine of the respondents, or 6.62 percent, did not complete the surveys.

Descriptive Statistics

Table 2. Descriptive Statistics on Training & Development

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Training and development improve performance.	118	1	5	5.11	.814
Training and development bring about innovation.	118	1	5	5.06	.807
Development brings positive change led to great performance.	118	1	5	5.29	.892
Valid N (listwise)	118				

Table 3: Descriptive Statistics on Recruitment& Selection

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
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Recruitment and Selection exercise process followed due process.	118	1	5	5.02	.857
Proper Recruitment enhanced performance of the bank.	118	1	5	5.16	.824
Better handled of recruitment and selection increase performance.	118	1	5	5.66	.806
Valid N (listwise)	118				

The descriptive statistics in Table 2 and 3 shows that the respondents generally agreed with all the items of training & development and recruitment and selection.

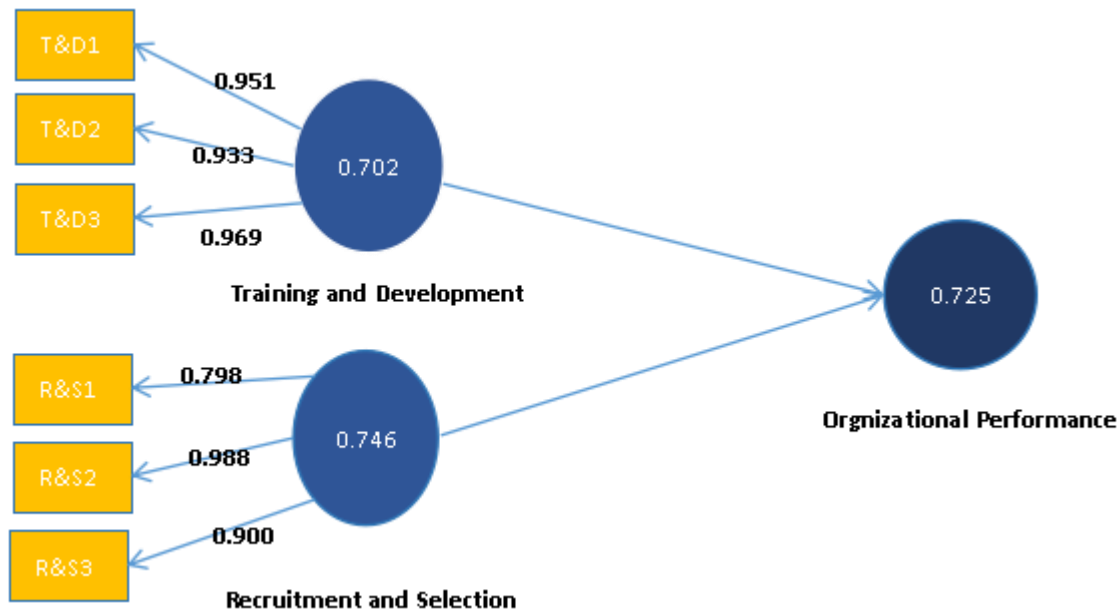
Statistical test of hypotheses

Rule of correlation coefficient:

- i. Values between 0 and 0.3 (0 and -0.3) indicate a weak positive (negative) linear relationship.
- ii. Values between 0.3 and 0.7 (-0.3 and -0.7) indicates a moderate positive (negative) linear relationship.
- iii. Values between 0.7 and 1.0 (-0.7 and -1.0) indicate as strong positive (negative) linear relationship.

Test of hypotheses 1 and 2

Ho₁: Training & development does not impact on organisational performance of deposit money banks in Choba, Port Harcourt.



Discussion of Findings

The study sought to investigate the impact of human resource management practices on organisational performance with TD and RS proxies for the independent variable. The ordinary PLS-SEM analysis technique was employed to determine the impact of human resource management practices on organisational performance.

Training and development have a significant positive impact on organisational success. The analysis revealed that the training and development indicators (T&D1, T&D2, and T&D3) showed elevated loading. This indicates that these activities have a significant impact on organisational performance. The result is that organisational outcomes may be significantly improved by improving training and development programmes. This is in line with the finding of Olalere and Adesoji (2017) which posited that human capital development programme improves the capabilities, prospects, and performance of employees, thereby resulting in the unavoidable attainment of the organization's goals.

Recruitment and selection have a significant positive impact on organisational success. Similarly, the recruitment and selection indicators (R&S1, R&S2, and R&S3) show elevated risk levels. This highlights the need of effective recruitment practices to improve organisational success. The results indicate that hiring and selection processes must be carefully planned to ensure an organization's success. This finding supports an earlier assertion of Mehmood, et al (2017) which states management should 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.

Structural validity

All indicators appear to be valid and reliable measures of their respective constructs, as indicated by high loadings that are much over the acceptable level (0.7). This strong construct validity demonstrates that the measures (indicators) chosen to assess organisational performance, recruitment and selection, and training and development are adequate and properly reflect these concepts

Conformity to the Model and Structural Integrity

In general, the model demonstrates strong conformity, indicating that the existing relationships between training and development, recruitment and selection, and organisational performance are well supported. Accordingly, the structural model could fully describe the difference in organisational performance caused by recruiting, development, and training methods. The findings confirm that both **training and development** and **recruitment and selection** are crucial drivers of **organizational performance**.

Conclusion

The study's purpose was to determine how human resource management techniques influence the organisational performance of deposit money banks in Choba, Rivers State. After assessing all of the assumptions, the researcher concludes that human resource management methods have a significant and positive influence on organisational performance.

Recommendation

Based on the objective earlier raised and the findings thereof, the following recommendations are hereby made:

- i. that training and development which is a human resources management practice should be handled properly in deposit money banks, since it enhances organisational performance; and that
- ii. deposit money banks should have a deep insight into other human resources management practices and the activities involved in the process.

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