

Reappraising Human Resource Management Practices as Predictor of Employees' Performance in the Nigerian Banking Industry: Current Evidence

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Abstract

This study examined the association of human resource management practices on employees' performance in the banking industry in Nigeria. The study population comprised one hundred and thirty nine employees of five selected banks in Port Harcourt. A sample size of 103 respondents was drawn using the Taro Yamen's formula. The study adopted the questionnaire method of data collection and the data were presented with tables and simple percentages; whereas the analysis was done using the Spearman Rank Order Correlation Co-efficient with the aid of the Statistical Package for Social Science (SPSS). The results showed that: (1) a positive relationship exist between recruitment/selection and employees' performance (2) a positive relationship exist between training/development and employees' performance (3) a positive relationship exist between compensation/reward and employees' performance (4) a positive relationship exist between regular performance appraisal and employees' performance. Hence it was concluded that the effective and efficient utilization of these practices will increase employees' performance and consequently overall firms' performance. The study recommended that organizations should provide good working conditions and a conducive work environment for skills development and training.

Keywords: *Human Resource Management Practice, Employees Performance, Reappraisal, Recent evidence.*

1. Introduction

The Nigeria Banking Sector witnessed shocks and distress in the recent past as a result of the economic meltdown in the western hemisphere. The meltdown and the consequent restructuring in the banking sector has had significant effect on the human resources management practice and employees elements employed in the sector. Indeed, the sector has been characterized by reduction in the number of banks and uncertainties, which further aggravated the security of jobs in the sector (CBN Financial Stability Report, 2010). This espoused situation has had significant effect on human resource management (HRM) in the sector.

External pressure on this sector has also created need to train and re-train the workforce to cope with the changing needs. The intervention of the regulatory authorities, the multi-faceted demand on the sector required that not only should employees be trained, but a conscious effort is needed to secure their job satisfaction in order to ensure maximum contribution to the organisations. In line with these developments, the need to secure willing contributions from employees places HRM functions at the centre of organizational performance improvement effort.

Employees' performance is associated with quantity of output, quality of output, timeliness of output, presence/attendance on the job, efficiency of the work completed (and) effectiveness of work completed (Mathis & Jackson, 2009). Employees' performance is the driving force behind an organization's growth and profitability. It is the relationship between output of goods and services of workers of the organization and input of resources, human and non-human, used in the production process. According to Gibson (1990), performance is measured in terms of: productivity, job satisfaction, turnover and absenteeism.

In the present, there is intense competition among organizations; hence, the organizations needs best human capital to continuously compete with each other because the performance of the organization is based on the performance of its employees. As a result, successful organizations understand the importance of human resource as a critical factor that directly affects and contributes on the performance of employees. According to Khatri (1999), people are one of the most important factors providing flexibility and adaptability to organizations. Rundle (1997) argues further on the need to bear in mind that people (managers), not the firms are the adaptive mechanism in determining how the firm will respond to the competitive environment.

Several scholars have noted that managing people is more difficult than managing technology or capital (Barney, 1991; Lado and Wilson, 1994). However those firms that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Wright *et al*; 1994). Due to the dynamic and competitive

nature of banking environment, innovative human resources management practices has become an essential ingredient for equipping employees with new and diverse skills, and also to ensure flexibility of employees so as to be able to respond to change.

The banking industry requires quality and competent human resources to steer its day to day operations in order to achieve the organization's objective because the availability of competent and efficient labour force does not happen by gambling but through an articulated human resources management practices (Peretomode and Premotomede, 2001). In order for the banking industry in Nigeria to become more efficient and effective with their employee job performance, there is therefore urgent need to assess the association of human resources management practices and employees performance so as to determine the suitable and appropriate human resources management practices to adopt that will stir improved employees performance.

1.2 Objectives of Study

- i. To examine the effect of recruitment and selection on employee performance in banking sector of Nigeria.
- ii. To examine the effect of training and development on employee performance in banking sector of Nigeria.
- iii. To examine the effect of compensation/reward on employee performance in banking sector of Nigeria.
- iv. To examine the effect of regular performance appraisal on employee performance.

1.3 Research Questions

1. To what extent do effective and efficient recruitment and selection process enhance employee performance in Nigeria banking sector?
2. To what extent does training and development enhance employee performance in Nigeria banking sector?
3. To what extent does compensation and reward enhance employee performance in Nigeria banking sector?
4. To what extent does regular performance appraisal enhance employee performance in Nigeria banking sector?

1.4 Research Hypotheses

H₀₁: There is no significant relationship between recruitment and selection and employee performance in the banking sector.

H₀₂: There is no significant relationship between training and development and employee performance in the banking sector.

H₀₃: There is no significant relationship between compensation and reward and employee performance in the banking sector.

H₀₄: There is no significant relationship between regular performance appraisal and employee performance in the banking sector.

2. Literature

2.1 The Concept of Human Resources Management

Initially, human resources management was developed as a United State management concept which lays emphasis on the individual worker and the need to treat people as assets rather than cost (Wilkinson, 1990; Beaumont, 1992). Though it was widely accepted as the new management practice, the concept remains undefined as it is applied in different ways. Furthermore, a common definition of Human Resources Management remains an enigma and, in many respects, what human resources management is purported to represent has not moved beyond some key principles laid down in the 1980s (Fombrun et al., 2000).

(Guest, 1987) identifies three main approaches to HRM: Firstly, Human Resource Management as a new title for personnel management, pointing out that organizations rename their personnel department without necessarily changing practices, secondly, human resources management as a way of reconceptualizing and reorganizing personnel roles and describing the work of personnel department, and thirdly, human resources management as a totally new approach for management with a distinctiveness which lies in the integration of human resources into strategic management and the emphasis on full and positive utilization of these resources.

In furtherance, Human Resources Management was also defined as:

“A set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work. Within this model, collective industrial relations have at best only a minor role (Guest, 1987)”.

In a related opinion, Human resources management was also described as the process of getting, training, assessing, and compensating employees, and maintaining labor relations, health and safety, and fairness concerns (Dessler & Varkkey, 2009); the utilization of individuals to achieve organizational objectives (Mondy *et al.*, 2005) and the policies, practices, and systems that influence employees' behavior, attitudes and performance (Noe *et al.*, 2007).

More so, Armstrong gives an all inclusive sum up of the various views of human resources management when he argued that it is:

“A strategic and coherent approach to the management of an organization's most valued assets: the people working there who individually and collectively contribute to the achievement of its objective” (Armstrong, 2001)”.

However, from whichever lens it is considered, human resources management can be summarized as the process of attracting, selecting, training, assessing, and rewarding of employees in order to use them to attain organizations' numerous objectives.

2.2 Human Resources Management Practices

There is no agreement on what constitutes HRM practices let alone a prescribed set of them (Boxall, 2007). Researchers have over the years proposed countless and varied lists of practices; however, there is no agreement on what or which practice qualifies as an aspect of Human Resource Management (Beer *et al.*, 2005). It is interesting to note that there are still some practices that form the core of the various practices proposed. These include recruitment and selection, training and development, performance management and reward scheme, however, others such as job design and employee involvement are more sporadic and are yet to gain grounds in the Human Resource Management literature. Guest (1997) however puts forward seven practices namely, selection, training, appraisal, rewards, job design, involvement and status and security. Drawing from these practices, a conceptual framework is developed for this work.

2.3 Dimension of Human Resource Management Practices

2.3.1 Recruitment/Selection: This involves two interrelated processes; recruitment is the process of generating a pool of capable people to apply for employment in an organization while selection is the process by which specific instruments are employed to choose from a pool of applicants, persons most suitable for the job taking into consideration management goals and legal requirements (Bratton & Gold, 2003). Armstrong (2001) categorizes recruitment and selection into three stages: defining requirement, attracting candidates and selection of candidates.

The recruitment and selection process is one of the most important Human Resources Management functions as it is the point of entry into most organizations and in addition where most organizations recruit talents that drive their goals and interest. It also reflects the requirements and philosophy of the organization as reflected in the caliber of people chosen for the job. Various techniques are employed in the recruitment and selection process and these include various forms of interviews, assessment centers, curriculum vitae, references amongst others.

2.3.2 Training/Development: “Training is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience” (Armstrong, 2001). Training can be on the job or off the job depending on the need in question. Appropriate training is required for various needs such as: to solve pertinent problems, to boost performance, and also for continuous development of human resources. The practice is one of the most important aspects of Human Resources Management needed to keep organizations ahead of their competitors (Hilb, 1992).

A rigorous study conducted by (Koch and McGrath, 1996) demonstrated that firms that engage in systematic training of their workforce are more likely to enjoy the rewards of a more productive workforce. Training and development formulates a significant role in organization. Training and development can advance the level of self-awareness of a person, enhance talent of an individual and enhance the motivation of an employee (Wexley

& Latham, 2002). Because the activity of an organization turns into more knowledge-driven, training and development performs an eternally supplementary significant function to meet the education desires of persons as well as tactical essentials of the organization (Harrison & Kessels, 2004).

2.3.3 Compensation and Reward: Compensation is the bonuses given to the employee due to their services. Compensation process can be divided into financial or nonfinancial (see Mondy, 2011, Gabriel and Nwaeke, 2014). Compensation is a strategic policy in the organization, it has effect on the employer's possibility to attract new applicants, gain employee's loyalty and ensure the maximum level of performance to meet the organization goal and objective. Choosing an appropriate compensation mechanism is probably the core problem of human resource managers, and represents the heart of personnel economics (Dubrin, 2006).

2.3.4 Performance Appraisal: Performance appraisal is basically the process of evaluating how well employees perform their jobs and then communicating that information to the employees. It can also be seen as a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time) typically by the corresponding manager or supervisor. This is the practice that guides employees work related attitudes and behaviors (Werther and Davis, (1996). It is believed to be a “systematic description” of an employee’s strengths and weakness (Mello, 2005). It is an activity that must be integrated to organizational jobs; especially managers are primarily responsible for it. Performance appraisal is an opportunity to the employees to identify the skills that they need to acquire in order to progress within the organization (Cleveland, Murphy, & Williams, 1989). This process is important in that it is an integral part of an organization’s performance management process. See the conceptual framework for the study in figure 1.

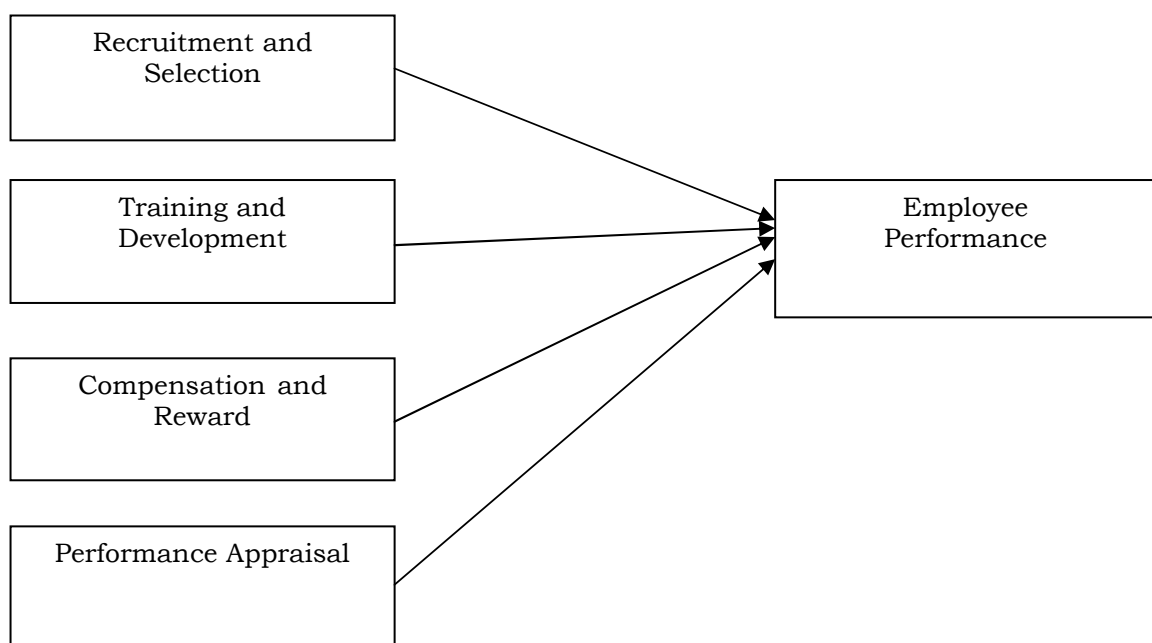


Figure 1: Conceptual framework of HRM and Employees Performance

2.4 Employee Job Performance

Employee Job performance has been a concern for organizations and researchers. For decades, researchers have been looking for different ways to enhance Employee Job Performance. Job performance refers to “behaviors or actions that are relevant to the goals of the organization in question” and it is a multifaceted variable in which every job has distinct components (McCloy, Campbell, & Cudeck, 1994). Employee performance is one of the factors that have effect on the performance of the organization. The successful organization understands the importance of HRM as a critical factor that directly affects and contributes on the performance (Al-Qudah *et al*, 2014).

Often, human resources management practices are employed to improve and evaluate the performance of the employee in the organization, and in modern era and highly competitive climate between the organizations, the tendency to improve employee performance is by improving the HRM practices (Caliskan, 2014). Several factors are adduced to be influencers of employees performance, for example, Christen, *et al* (2006; Cohrs, *et*

al. 2006; Rayton 2006; and Zhang and Zheng, 2009) all found evidences that job satisfaction which is an attitudinal variable influences job performance that is a behavioral variable.

2.5 Human Resources Management Practices and Employee Job Performance

Early studies linked individual Human Resources Management practices such as training, selection, performance appraisal and compensation to firm financial performance (Milkovich, 1992). Research has led to the identification of a number of Human Resources Management practices that contribute to performance across different organizations (Huselid, 1995). In a literature review, (Delery & Doty, 1996) identified seven of such practices that have consistently considered HRM practices. They defined Human Resources Management practices as those that are theoretically or empirically related to overall organizational performance. These practices include internal career opportunities, formal training systems, results-oriented appraisals, employment security, participation, job descriptions, and profit sharing.

The relationship between human resources practices and work out comes is an increasingly researched topic in human resources management e.g. (Edgar & Geare, 2005). More specifically, HRM is hypothesized to fulfill employees' needs which enhances favorable attitudes, and subsequently improves performance outcomes (Edgar & Geare, 2005). This is consistent with social exchange theory (SET) which argues that human resources management practices contribute to positive exchange relationships between employee and employer – especially when the needs of individual workers are considered – to which employees reciprocate with favorable attitudes and behavior (Gould-Williams & Davies, 2005).

Luna-Arocas and Camps, (2008) found human resources management practices such as training, empowerment, rewards, job enrichment, and job stability to affect turnover intention through job satisfaction and organizational commitment. Similarly, (Saks, and Rotman, 2006) found that while job characteristics such as autonomy and feedback foster work engagement, a higher level of work engagement subsequently lowers employees' intention to quit. Previous studies have also shown that implementing human resources management practices is an important means through which favorable outcomes can be fostered. For example, the presence of strong recruitment and selection practices, promotional opportunities, grievance resolution mechanisms, flexible benefit plans, employee responsibility, autonomy, and team work were found to relate positively to organizational commitment while compensation cuts were negatively associated with organizational commitment (Caldwell, Chatman & O'Reilly, 1990; Fiorito, Bozeman, Young & Meurs, 2007; Gould-Williams & Davies, 2005; Heshizer, 1994). In addition, satisfaction with and perceived adequacy of career development, training opportunities, and performance appraisal were established as predictors of organizational commitment (Kuvaas, 2008).

3. Methods

3.1 Research Design

This study adopted a cross sectional survey design. The unit of analysis was the individual employees of Banks in Port Harcourt. The type of research design is descriptive in nature because it measures the association between variables.

3.2 Population

The population of study constitutes the employees of five selected commercial banks. A total of one hundred and thirty nine employees were selected randomly from the focal banks.

3.3 Sample and Sampling Procedure

The sample size of this study consists of 103 respondents selected from five Banks in Port Harcourt. The sample size was determined using Taro Yamane (1962) formula to finite population.

Formula
$$n = \frac{N}{1+N (e)^2}$$

Where:

$$n = \frac{\text{Sample, N}}{\text{significance}} = \frac{\text{Population size, e}}{\text{Level of}}$$

Therefore computation is as follows:

$$n = \frac{139}{1+139(0.05)^2}$$

$$n = \frac{139}{1.3475}$$

$$n = 103$$

Therefore the sample size of this study is 103.

3.4 Data Collection

Questionnaire were distributed by hand to our target respondents, and efforts were made to also retrieve them using same method and in good time.

3.5 Measurement of Variables

There are many methods of measuring human resource management practices. By far the most common method for collecting data regarding human resource management practices is the Likert scale; However, Smith, Kendall and Hulin, (1969) is a specific questionnaire of human resource management practice that has widely been used. It measures ones satisfaction in four facets: selection and recruitment, training and development, compensation and reward, performance appraisal. On the other hand the dependent variable was measured as an observable variable on the five (5) point Likert scale.

Table 3.1 : Reliability Test.

Variables	Alpha Coefficient	Number of items on the Scale
Recruitment/selection	0.821	2
Training/development	0.795	2
Compensation/reward	0.770	2
Performance appraisal	0.800	2
Employee performance	0.912	5

3.6 Method of Data Analysis

We used the descriptive simple percentage, tables and Spearman's Rank Order Correlation Statistical tool which is a non-parametric test for correction between two variables. The analysis was based strictly on the primary data gotten from the questionnaire.

4. Results

4.1 Presentation of Research Data

Table 4. 1: Questionnaire Administration/Responses

S/NO	Banks	Distribution	Returned	%
1	Banks 1, 2,3,4,5	103	100	97%

Table 4. 1 shows that out of 103 questionnaire that were distribute, 100 copies were retrieved, representing 97% response rate.

Table 4. 2: Gender Distribution of the Study

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	62	62.0	62.0	62.0
	Female	42	42.0	42.0	42.0
	Total	100	100.0	100.0	100

Table 4. 2 is used to illustrate the gender distribution of the sample. The table shows a greater percentage of male respondents as compared to their female counterparts. A total of 62 (62%) of the respondents are male while the female respondents account for only 42 (42%).

Table 4. 3: Educational Qualification of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE	45	45.0	45.0	45.0
	HND/BSc	35	35.0	35.0	80.0
	MSc/MBA/MA	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Table 4. 3 depicts participants' qualification with 45% having OND/NCE certificates, 35% having first degree such as HND/BSc while the remaining 20% holds MSc/MBA/MA.

Table 4.4: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 – 35 years	42	42.0	42.0	42.0
	36 – 45 years	45	45.0	45.0	87.0
	46 – 55 years	8	8.0	8.0	95.0
	56 years and above	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Table 4.4 shows that the 42% of the respondents are between the ages of 25 – 35 years of age, 45% of the respondents are between the ages of 36 – 45 years, 8% of the respondents are between the ages of 46 – 55 years while only 5% of the respondents are 56 years and above.

Table 4.5: Organizational Level of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
	Middle Management	27	27.0	27.0	27.0
	Supervisory	29	29.0	29.0	29.0
	Junior Staff	44	44.0	44.0	44.0
	Total	100	100.0	100.0	100

Table 4. 5 above illustrates the descriptive statistics for respondents' level in their respective organizations/banks with middle management at 27%, supervisory at 29% and junior staff at 44%.

Table4. 6: Descriptive Statistics of the Dimensions of Human Management Practices **Resources**

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Recruitment	100	1.00	5.00	3.9533	1.04234
Training	100	1.00	5.00	3.8367	1.02658
Compensation	100	1.00	5.00	3.9033	.97476
Appraisal	100	1.00	5.00	3.8133	1.15695
Valid N (listwise)	100				

Table 4. 6 illustrates the descriptive statistics for the measures of the independent variable – human resource management practices. Recruitment and selection($x = 3.9533$), Training and development($x = 3.8367$) Compensation and reward($x = 3.9033$), and performance appraisal($x = 3.8133$). All variables are scaled on a 5 – point Likert scale implying average levels of agreement to all variables.

Table4. 7: Summary of Descriptive Statistics for the Study Variables

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
HRM	100	1.20	5.00	3.8766	.78864
Performance	100	1.17	4.92	3.8012	.92709
Valid N (listwise)	100				

Table 4. 7 illustrates the descriptive summary for the study variables. Human resource management practices ($x = 3.8766$) and employee performance ($x = 3.8012$). The above statistics imply an average response of agreement to all variables.

4.2 Hypotheses Testing

The hypothesis testing for the study entails the test for previously assumed hypothetical relations between the dimensions of the independent variable – human resource management practices and the dependent variable – employee performance. A total of nine hypotheses were stated (eight bivariate and one contextual). In this section nine of the hypotheses are tested using the spearman’s rank order correlation statistical tool and at a 95% confidence interval. Acceptance or rejection is based on a $p < 0.005$ criterion.

Table 4. 8 Tests for Hypothesis One

			Recruitment
Spearman's rho	Performance	Correlation Coefficient	.720
		Sig. (2-tailed)	.000
		N	261

Hypothetical assumptions:

H₀₁: There is no significant relationship between recruitment and selection and employee performance in organizations

The findings of table 4.8 show that recruitment and selection significantly impacts on employee performance in the target organizations. The correlation coefficient (.720) indicates a strong level of influence and variation in employee performance as a result of organizational recruitment and selection practices; therefore we find that given the acceptance criterion of $p < 0.05$ at a 95% confidence interval, we therefore reject the null hypothesis of

no relationship and restate that: The recruitment and selection practice of organizations significantly impacts on the performance of employees in those organizations.

Table4. 9: Showing Test for Hypothesis Two

			Training
Spearman's rho	Performance	Correlation Coefficient	.592
		Sig. (2-tailed)	.138
		N	261

H₀₂: There is no significant relationship between training and development and employee performance in organizations:

The findings of table 4. 9 show that training and development significantly impacts on employee performance in the target organizations. The correlation coefficient (.592) indicates a strong level of influence and variation in employee performance as a result of organizational training and development practices; therefore we find that given the acceptance criterion of $p < 0.05$ at a 95% confidence interval, we therefore reject the null hypothesis of no relationship and restate that:

The training and development practice of organizations significantly impacts on the performance of employees in those organizations.

Table 4. 10: Showing Test for Hypothesis Three

			Compensation
Spearman's rho	Performance	Correlation Coefficient	.202**
		Sig. (2-tailed)	.001
		N	261

H₀₃: There is no significant relationship between compensation and reward and employee performance in organizations

The findings of table 4. 10 show that compensation and reward significantly impacts on employee performance in the target organizations. The correlation coefficient (.202) indicates a strong level of influence and variation in employee performance as a result of organizational compensation and reward practices; therefore we find that given the acceptance criterion of $p < 0.05$ at a 95% confidence interval, we therefore reject the null hypothesis of no relationship and restate that:

The compensation and reward practice of organizations significantly impacts on the performance of employees in those organizations.

Table 4. 11: Showing Test for Hypothesis Four

			Appraisal
Spearman's rho	Performance	Correlation Coefficient	.372**
		Sig. (2-tailed)	.000
		N	261

H₀₄: There is no significant relationship between regular performance appraisal and employee performance in organizations

The findings of table 11 show that regular performance appraisal significantly impacts on employee performance in the target organizations. The correlation coefficient (.372) indicates a strong level of influence and variation in employee performance as a result of organizational regular performance appraisal practices; therefore we find that given the acceptance criterion of $p < 0.05$ at a 95% confidence interval, we therefore reject the null hypothesis of no relationship and restate that: Regular performance appraisal of employees in the selected organizations significantly impacts on the performance of employees in those organizations

5. Discussion of Findings

The main objective of this research is to find the relationship between human resources management practices and employees' performance. From the analysis in, results show that there is a positive and significant relationship between dependent and independent variables. Sequel to this, the results of the hypotheses is thus discussed as follows:

1. Association of recruitment/selection and employees' performance

The result of our test revealed that there was a strong positive relationship between the both variables. This result is corroborates earlier findings; especially the argument by Rynes *et al* (2000), Shippman *et.al* (2000) and Lievens *et.al* (2002) that the way organization conduct recruitment/selection will either improve the performance of employees' or not. Bowles and Gintis (2002), said that the effectiveness of recruitment/selection will determine whether organizations will get the right persons who are ready to deliver. Armstrong (2008), also indicated that if recruitment/selection process is not compromised, then an organization is capable of procuring employees who are committed to the ideas of the organization, employees who are recruited/selected objectively tend to be more productive.

2. Association of training/development and employees' performance

Our empirical findings shows that trained employees do not require tight control and supervision as they are well aware of how to perform their job. This is because through training, skills and knowledge are passed from the trainer to the trainee; especially on new development and technological advancement in the organization. A trained employee can respond and adapt to the changing technology well and there will be fewer rates of mistakes and spoilages.

Wexley and Latham (2002) said that training/development is an important aspect necessary for organizational growth and competitiveness; training and development can advance the level of self-awareness of a person, enhance talent of an individual and enhance the motivation of an employee (Wexley & Latham, 2002). More so, Thang and Buyens, (2008) reviewed sixty six (66) studies conducted in different parts of the world and came up with the position that training and development leads to superior knowledge, skills, abilities, attitudes, and behaviour of employees that eventually enhances organizational performance. Drawing from the foregoing, it is clearer that the enhancement of employees' skills through adequate and proper training/development will increase organizational productivity.

3. Association of compensation/reward and employees' performance

This simply implies that employees are extremely motivated by the compensation/reward they receive. Previous research conducted by Rizwan and Ali (2010) agrees with this finding. Teseema and Soeters (2006) reported a positive correlation between compensation practices on employee performance. Similarly, employees can be motivated through financial and non financial incentives as Gabriel and Nwaeke, 2014 found a significant association between non financial incentives and employees job satisfaction, and job satisfaction is also a known predictor of employees performance. This implies that when employees perceive that they are adequately compensated, they are inspired to give in their best in discharging their duties.

4. Association of performance appraisal and employees' performance.

From our analysis the results shows that regular performance appraisal has a positive effect on employees' performance because how performance is managed in an organization determines to a large extent the success or failure of the organization. Performance appraisal guides employees work related attitudes and behaviors (Werther and Davis 1996). Therefore, improving performance appraisal for everyone should be among the highest priority of contemporary organizations. If a performance appraisal system is successfully used in the banking industry, the employee would be able to know how well they are performing and what is expected of

them in future in terms of work performance and effort. Hence, the higher level of implementation of regular performance appraisal, the higher level of employees' motivation toward their task; especially when the appraisal process and outcomes are deemed to be transparent and justifiable. The importance of this result is further underpinned in the fact that injustice breeds bad will and discontentment in a system (see Gabriel and Nwaeke, 2014, Gabriel, 2014); and such bad feelings can be translated into poor job delivery or counter productive work-behaviours.

6. Conclusions

The ideas which necessitated this study were to examine the relationship between human resources management practices on employees' performance. Findings from our analysis support a correlation between the independent (HRM practices) and dependent variable (employee performance) as both variables strongly correlate and show significant relationship. The findings show that a well-managed human resource through effective policies which guide processes such as recruitment and selection, compensation and reward, training and development as well as consistent performance appraisal would in turn impact on the performance of employees within the organization and thereby boost holistic organizational performance and productivity.

Based on these findings we therefore conclude that human resources management practices should be encouraged in order to achieve higher level of employees' performance. Thus the following conclusions are drawn from the findings of this study:

- An appropriate recruitment/selection of employees that are best suited for a particular position enhances employees' performance and organizational growth.
- Training/development plays an important role in the improvement of employee skills and gives them more competitive advantage over their competitors, which then leads to increase in productivity.
- Through the use of compensation/reward system employees are being motivated thereby making them more committed to the organization and thus, give their best for the progress of the firm.
- Regular and transparent performance appraisal significantly affects the progressive level of an employee which may bring about the promotion of an employee and achievement rate.

7. Recommendations

In view of the research on the effect of human resources management practices on employees' performance, the following recommendations are considered necessary for the study:

- Recruitment/Selection process should be objective as much as possible. Job specifications should therefore, be developed and strictly adhered in the organization. An interview panels that are professional and not biased is also needed because when organizations hire hard, they will manage soft and vice versa.
- A platform for regular training/development should be put in place to avoid employees obsolescence because times and seasons changes and to enhance their skills and use of technology for faster job performance
- Good reward and compensation systems, such as commensurable pay, incentives, praises and friendly working conditions should be created for the sustenance of employees' loyalty to the firm.
- The organization should develop vibrant and transparent performance appraisal systems that would be devoid of favoritism, *Ima Mmadu* (who you know) and injustice because it will boost employees trust on the organisation.

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