

Employees' Views and Loyalty on HRM Activities: The Case of Sekyere Rural Bank-Ghana

Qifa Huang Atampokah Rosemond * Koomson Prince Akolpoka Helena
Jiangsu University 301 Xuefu Road-China

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Abstract

This research looked at employees' perception on HRM practices and their loyalty in the case of Sekyere Rural Bank in the Ashanti region of Ghana. Research over the years, tend to focus their concentration much on the impact HRM practices has on organizations but less attention has been taken to employees' perception about the importance of HRM practices on their professional development and career success. The objectives of the study were to analyse perceptions of employees on HR practices Sekyere Rural Bank, analyse the loyalty of employees and establish the relationship between employees' perception on HRM and their loyalty. It employed the use of convenient random sampling which gave employees in seven (7) branches of Sekyere Rural Bank equal opportunity of being selected. Questionnaires were designed for the purposes of the study to provide information on employees' perception and employees' loyalty. For the purposes of the study, 100 employees in the 7 branches of Sekyere Rural Bank were selected. From the results gathered, 84% out of 100% of those approached took part in the study (n=84). The findings of the study revealed that employees clearly understood the HR practices and had much positive perception on career planning and lowly perceived the other HR practices. Analysis from the loyalty scale also showed that employees' of Sekyere Rural Bank had neutral response to the questions asked. This shows that employees' loyalty and commitment to the organisation has not been achieved fully. It is thus recommended that management should make much effort in educating and training employees on the importance of the various HR practices, making their appraisal systems friendlier and also engaging them in their career planning projects as this makes them more loyal based on our findings.

INTRODUCTION

Background to the Study

In recent years, increased research has been focused on establishing positive effects of Human Resource (HR) practices on behavior outcomes and firm performance and less attention has been taken to the perception of employees about the importance of Human Resource Management (HRM) practices on their professional development and career success. Inappropriate Human Resource Management (HRM) practices and policies of some of the banks can be attributed to the non-existence of HRM specialist or HRM department. Research has established significantly a positive relationship between an organisations HRM practices and performance. Most of the banks do not realise the perception of employees on these HR practices thereby leave policies in the hands of line managers and board of directors who are non-HRM experts to implement practices and programs. The value of properly managing human resource and their loyalty is lost to some of the banks.

The foremost source of employee loyalty to an organization comes from their emotional attachment to the organization. Numerous studies show that organizations with strong emotional attachment from employees have much lower turnover rates and absenteeism rates, and their employees have a stronger motivation to work. There are three key principles to heighten employees' emotional attachment to the organization, specifically: (1) to allow all employees to have a sense of mission; (2) to give all employees who stay with the organization a sense of security; and (3) to allow all employees to have a sense of fairness (1111 Job Bank 2013).

Armstrong (2009) defines Human Resource Management (HRM) as a strategic and coherent approach to the management of an organization's most valued assets; that is, the people working there who individually and collectively contribute to the achievement of its objectives. Moreover, Human resource management practices can be defined as a set of organisational activities that aims at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organisational objectives (Wright and Boswell, 2002). The adoption of certain bundles of human resource management practices has the ability to positively influence organisation performance by creating powerful connections or to detract from performance when certain combinations of practices are inadvertently placed in the mix (Wagar and Rondeau, 2006).

Achieving better working environment requires successful, effective and efficient exploit of organisation resources and competencies in order to create and sustain competitive position locally and globally. HRM policies on selection, training and development, performance appraisal, compensation, promotion, incentives, work design, participation, involvement, communication, employment security, etc must be formulated and implemented by HRM specialist with the help of line managers to achieve the following outcomes: competence, cooperation with management, cooperation among employees, motivation, loyalty, satisfaction, retention, presence, etc

In fact, Ahmad and Schroeder (2003) found a positive influence of human resource management practices

(information sharing, extensive training, selective hiring, compensation and incentives, status differences, employment security, and decentralization and use of teams) on organisational loyalty. In furtherance of this assertion, Sang (2005) also found a positive influence of human resource management practices (namely, human resource planning, staffing, incentives, appraisal, training, team work, employee participation, and status difference and employment security) on organization loyalty and performance.

For businesses to survive, HRM should be given much attention on employees' perception on HRM practices.

The purpose of this study is to determine the perception of employees' on HR practices and their loyalty of Sekyere Rural Bank in Kumasi, Ashanti Region.

This paper has the following objectives to analyse employees' perception on different HRM practices of Sekyere Rural Bank in the Ashanti region, to analyse the loyalty of employees, to establish the relationship between employees' perception on HRM practices and their loyalty, to make recommendations on how to improve on the HR practices and employee loyalty.

LITERATURE REVIEW

The Concept of Human Resource Management (HRM)

The concept of Human Resource Management was first defined by Bakke (1966) who said that the general type of activity in any function of management is to use resources effectively for an organisational objective. The function which is related to the understanding, maintenance, development, effective employment and integration of the potential in the resource of „people“ I shall call simply the human resources function. However, HRM emerged fully fledged later when the Michigan „matching model“ (Fombrun et al, 1984) and what (Boxall 1992) calls the Harvard framework developed by Beer et al (1984) made statements on the HRM concept revealing the need to take HRM beyond just selection and compensation to broader issues that demand more comprehensive and more strategic perspective to an organisation's human resources. The matching model of HRM held that HR systems and the organisation structure should be managed in a way that is congruent with organisational strategy and further explained that there is a human resource cycle that consists of four generic processes or functions that are performed in all organizations'; selection, appraisal, rewards and development.

Definition of Human Resources

Giant (1978) states that the context of "Human Resources" implies that people in a work organization are endowed with a range of abilities, talents and attitude necessary to influence productivity, quality and profitability.

According to Cowling (1998), Human resources are composed of individuals working for an organization, employed on a variety of contracts; some as "core" long-term staff, some as temporary staff, some as contracted staff but collectively making up the most important of an organization's resources. Human resource practices serve as the processes used to transform existing human resource inputs within the human resource system (Lado and Wilson, 1994 cited in Ferguson, 2009).

Definition of Human Resource Management

Though the term HRM is widespread, the definition of the term has remained varied and elusive. Storey (1995) therefore defines HRM as: *“A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique”*

The term Human Resource Management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations. To Boxall et al, (2007), it is the management of work and people towards desired ends. Som, (2008) described HRM as carefully designed combinations of such practices geared towards improving organisational effectiveness and hence better performance outcomes.

Theories and Perspectives of Human Resource Management

There are several theories underpinning the practice of HRM. Two of these theories; Resource-based View and Ability and Motivation and Opportunity theories appear to be the most popular theoretical frameworks applied in the studies that link HRM and organisational performance. The Resource-Based View (RBV) theory which blends concepts from organisational economics (Penrose, 1959) and strategic management (Barney, 1991) has it that HRM delivers added value through the strategic development of the organisation's rare, valuable, imperfect to imitate and hard to substitute human resources. HRM's role is to ensure that the organisation's human resources meet those criteria. The Ability, Motivation and Opportunity (AMO) theory also argues that the formula; Performance = Ability + Motivation + Opportunity to participate provides the basis for developing HR systems that attend to employees interests, namely their skill requirements, motivations and the quality of their job. (Appelbaum et al, 2000; Bailey et al, 2001; Boxall and Purcell, 2003) HRM practices therefore impact on individual performance leading to overall organisational performance if they encourage discretionary efforts, develop skills and provide with the opportunity to perform.

Human Resource Management Practices – Performance Linkage

Over the years, researchers have devoted a great deal of time and attention to establishing and examining the linkage between HRM practices and organisational performance. Based on the evidence and findings, it is becoming increasingly clear that HRM is an important component that can impact on organisational effectiveness leading to improved performance. Though the link between HRM and organisational performance is considered a 'black box', that is, lack of clarity as to 'what exactly leads to what' (Gerhart, 2005) however, the positive relationship between HRM and organisational performance cannot be over emphasised. The work produced by Huselid, 1995, that examined the relationship between HR practices and corporate turnover, profitability and market value found that his HR index was significantly related to the gross rate of return on assets (a measure of profitability) and Tobin's Q (the ratio of the market value of a firm to its book value). This means that if appropriate HR policies, processes and strategies are introduced a substantial impact on organisational performance can be made. It is important to realise that the effectiveness of HRM policies depends on its alignment with other business strategies. Interestingly, Hyde et al (2008) examining the impact of HRM practices on firm profitability found little support for a positive relationship between HRM practices and firm profitability.

As Armstrong asserts, the Holy Grail sought by many human resource management researchers is to establish that HRM practices demonstrably cause improvements in organisational performance.

Studies show that certain HRM practices, such as working in teams, greater discretion and autonomy in the workplace and various employee's involvement and pay schemes motivate workers and increase productivity (Cully et al. 1999; Boselie and Wiele 2002).

Richard and Johnson (2001) using a sample of banks examined the impact of strategic HRM effectiveness on a number of performance variables. They found that the effectiveness of strategic HRM is directly related to employee turnover and the relationship between this measure and the return on equity was stronger among banks with higher capital intensity. Guthrie (2012) examining the impact of HR practices on turnover and firm productivity among a sample of firms in New Zealand noted that HR practices had an impact on turnover and that the relationship between retention and productivity was positive when firms implemented high-involvement HR practices, but negative when they did not. Strengthening the evidence of a positive relationship between HRM practices and organisational performance is the research of Ahmad and Schroeder (2003) which concluded that, there is a positive influence of Human Resource Management practices (information sharing, extensive training, selective hiring, compensation and incentives, status differences, employment security and decentralisation and use of teams) on organisational performance as operational performance (quality, cost reduction, flexibility and commitment). There has been the research into particular HRM practices out of the bundle that contribute significantly to organisational performance. Booselie et al. (2005) analysed 104 articles and established that the top four mostly investigated human resource management practices that have a positive impact on organisational performance are recruitment and selection, training and development, contingency and reward and performance management. According to Wang (2005) innovative firms treat HRM practices as the organisation's strategy to encourage team responsibilities, enhance organisational culture, and build up customer relationships through participation and empowerment. Green, Wu, Whitten and Medlin (2006) accounted that organisations that vertically aligned and horizontally integrated HR function and practices performed better and produced more committed and satisfied HR function employees who exhibited improved individual and organisational performance.

Khan (2010) conducted a study in Pakistan to investigate the effect of human resource management practices such as recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee relations on organisational performance (product cost, product quality, market share, performance relative to competitors and organisation's performance relative to industry average) and he found a significant positive relationship between these practices and firm performance in twenty oil and gas companies. In one study of one hundred respondents of Graphic Communications Group, Ghana, Boohene and Asuinura (2011) stressed that HRM practices, specifically, recruitment and selection, performance appraisal, compensation, and training and development have positive impact on organisational performance. For instance, performance appraisal increases employee commitment and satisfaction since employees are given the chance to discuss their work performance against set targets.

In a recent study conducted by Soomro et al (2011) it was found that HRM practices (training, selection, career planning, employee participation, job definition, performance appraisal and compensation) correlated positively with the employee performance. Also affirming this is a study conducted by Nayaab et al (2011) whose result indicated that HRM practices like training, employee participation in decision making was found significantly related with banks performance. Research suggests that employees interpret organizational actions such as HR practices (Ogilvie, 1986; Settoon, Bennett, & Liden, 1996; Wayne, Shore, & Liden, 1997) as indicative of the personified organization's commitment to them. In return, employees will reciprocate this gesture by increasing their own commitment to the organization. More specifically, when HR practices are perceived as supportive, employees are likely to believe that their employing organization are committed to them by their high

level of caring and concern, which in turn, is likely to stimulate them to reciprocate this kind deed by being highly involved in the organization and showing their willingness to work hard to accomplish the organization's goals (high affective commitment). This line of thought is in tandem with that of other researchers (Agarwala, 2003; Guzzo & Noonan, 1994; Whitener, 2001) who argued that how employees interpret and make sense of their employer's HR practices will affect their psychological contract with their employer and, ultimately their commitment to that employer.

Relevant Literature Concerning Employee Loyalty

The Definition of Employee Loyalty

The foremost source of employee loyalty to an organization comes from their emotional attachment to the organization. Numerous studies show that organizations with strong emotional attachment from employees have much lower turnover rates and absenteeism rates, and their employees have a stronger motivation to work. There are three key principles to heighten employees' emotional attachment to the organization, specifically: (1) to allow all employees to have a sense of mission; (2) to give all employees who stay with the organization a sense of security; and (3) to allow all employees to have a sense of fairness (1111 Job Bank 2013).

The conceptual definition of employee loyalty in this study refers to that "employees feel good and satisfied with the working environment and the work itself, thereby heightening their allegiance to the organization, and bringing forth their positive commitment towards the organization." This definition is derived from the following research literature.

Chang, Y. C. (2012) pointed out that organization should improve the communications and the capacity for cooperation between domestic employees and foreign laborers, thus enhancing job satisfaction, employee loyalty, and organizational commitment. If the capacity for "cooperation" between domestic employees and foreign laborers is improved, then employee loyalty can be further improved; when cross-country team work cooperation is enhanced, then organizational commitment can be further improved.

Wu et al., (October 2014) suggested that customer satisfaction will positively affect customer loyalty. Dai, S. Y. (2014) defined employee loyalty as "employees' identification with organization's culture and values" (Business Weekly). Seema Mehta stated that loyalty has two dimensions which were internal and external. The internal dimension is the emotional component such as feelings of caring, of affiliation and of commitment. The external dimension has to do with the way loyalty manifests itself. This dimension is comprised of the behaviors that display the emotional component and is the part of loyalty that changes the most (Mehta et al., 2010).

Relationship between employees' loyalty and managers' attitude

Padmavathy et al., (2012) concluded in his paper that if manager's attitude is not positive towards its employees. It can never create employee loyalty and organizational commitment.

It would assert adverse effect and organizational productivity may suffer. (Locke, 1976) examined that a manager's positive attitude leads towards employee loyalty and bad attitude may affect productivity adversely.

Relationship between employees' loyalty, organizational commitment and financial benefits

Kreisman (2002) found that financial benefits enhance the employee loyalty and organizational commitment. He argued that financial benefits play a positive role in employees' loyalty enhancement. Bakalis (2006) also found that organizational commitment and employees' loyalty can be increased with financial benefits and rewards.

DATA AND METHOD

The entire study was conducted at Sekyere Rural Bank in Kumasi, Ashanti Region of Ghana. A letter was presented to the Head Office of Sekyere Rural Bank to seek permission to conduct the research. Seven (7) out of the nine branches were recruited for the research. The research was conducted over a period of two (2) months. Employees in seven (7) branches of Sekyere Rural Bank were recruited for the study. The study population was given a consent note prior to the study to introduce the researchers. Their participation in the research was voluntary. The study population consisted of one hundred (100) participants. Incomplete information on the study questionnaire and inability to retrieve some questionnaires 16 participant from the total population hence making the final total population 84(84%).

Simple random technique was used since it is more convenient and also considered as a fair way of selecting a sample from a given population by giving each member equal opportunity of being selected. Participants were briefed on the aims and objectives of the research, how they were selected and we explained to them how important their responses were to the study.

Data collection and Analysis

A self-structured questionnaire was used to collect the primary data for the research. To enhance the analysis and facilitate the classification of responses into meaningful categories, the questionnaires included questions that will be relevant to the purposes of the study. Verbal interactions and explanations were given by the researchers to the respondents. The questionnaire was explained step by step, given detail about the content and method to be

followed for completing each questionnaire. This was done to minimize interpretative faults. The respondents were given the chance to ask questions and any uncertainties about comprehension and interpretation. The design of the questionnaire for the descriptive study had to capture employees' perception on HRM practices as well as their loyalty to the organisation, while providing other relevant information on gender and years spent in the organisation.

The data analysis was guided by the primary research questions of the study. All questionnaires were numbered and the data for each questions was extrapolated and captured by the researchers using SPSS version 21.

RESULTS AND DISCUSSIONS

Demography of employees in Sekyere rural bank limited.

Table 1 Gender of employees.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MALE	44	52.4	52.4	52.4
FEMALE	40	47.6	47.6	100.0
Total	84	100.0	100.0	

Table 4.2.1 represents the gender of the mainstream employees in Sekyere Rural Bank Limited who were selected for the study. The above table shows that 44 respondents representing 52.4% are males and 40 respondent representing 47.6% are females. This clearly confirms that Sekyere rural bank is male dominated.



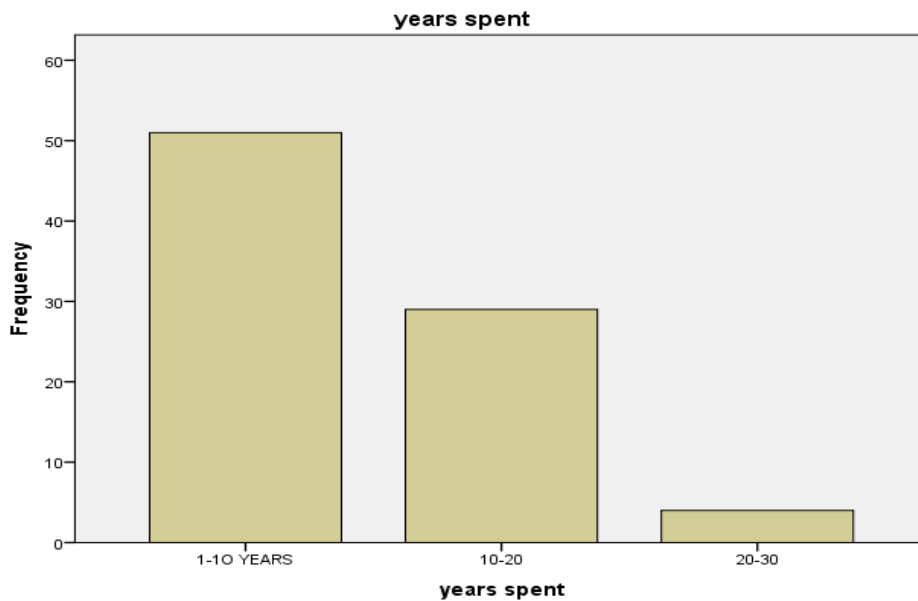
Figure 1 above shows the graphical representation of the gender of employees.

Table 2 Shows number of years spent in the organisation by the selected employees.

	Years Spent	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	51	60.7	60.7	60.7
	10-20	29	34.5	34.5	95.2
	20-30	4	4.8	4.8	100.0
	Total	84	100.0	100.0	

Table 2 represents the number of years the employees selected have spent in the organisation. The above table shows that the number of respondents who have spent 1-10 years are 51 representing 60.7%, the number of respondents who have spent 10-20 years are 29 representing 34.5% and those who have spent 20-30 years are 4 representing 4.8%. This shows that the older employees are not much and that Sekyere rural bank gives room for fresh people with fresh ideas to join the company.

Figure 2 below shows number of years spent in the organisation by the selected employees.



Human Resource Management Practices

Table 3 In my organization, the HR Department is considered to be influential

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	14	16.7	16.7	16.7
Partially agree	15	17.9	17.9	34.5
Strongly agree	24	28.6	28.6	63.1
Agree	30	35.7	35.7	98.8
I don't know	1	1.2	1.2	100.0
Total	84	100.0	100.0	

From table 3 14 people representing 16.7% strongly disagree to the question that their HR department is considered influential, 30 and 24 employees agreed and strongly agreed representing a 35.7% and 28.6% respectively and so it can be inferred that the Human Resource Management Department of Sekyere Rural Bank is very influential. The Bar chart below really proves that the HR Department is influential and as well performs its duties. The formulation, execution and management of HRM practices are left in the hands of top management who are non-HR experts when the HR Department is not influential. Rural banks that do not have HR Departments rely on board of directors, general managers and some line managers to execute HRM practices such as recruitment and selection, training and development, compensation and rewards, performance management amongst others.

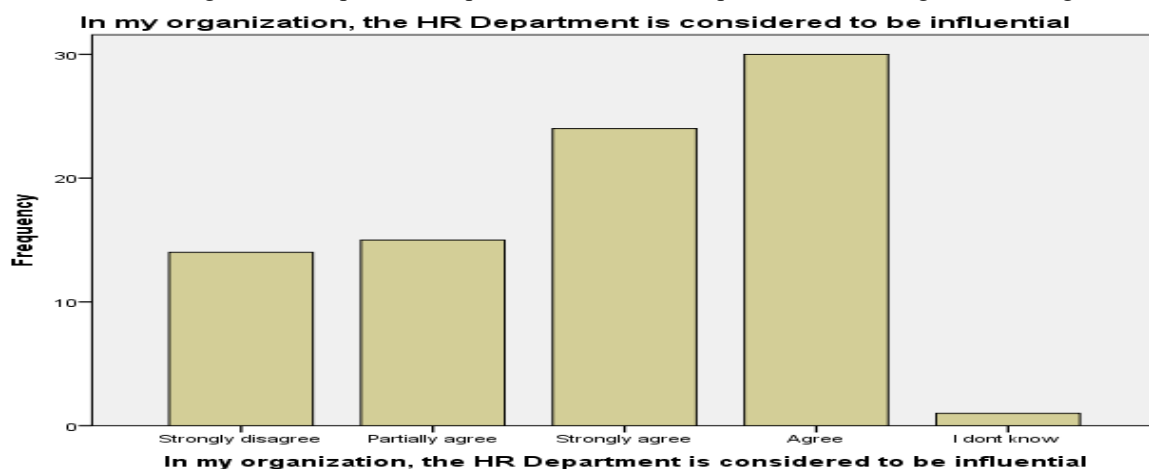


Figure 3

Table 4 Item Statistics of Recruitment and selection practice questions asked.

	N	Minimum	Maximum	Mean	Std. Deviation
In my organization recruitment and selection is based on skills and knowledge	84	1	5	2.83	1.201
In my organization recruitment and selection is based on nepotism and favouritism	84	1	5	2.12	1.366
In my organization people are selected to perform at a higher level and demonstrate commitment rather than to replace departing employees or add up to the number	84	1	5	3.21	.879
In my organization the recruitment and selection of skilled employees leads higher organizational performance	84	1	5	3.20	.690
In my organization the recruitment and selection is done by using job advertisement in newspapers are used by organization	84	1	4	2.63	.954
In my organisation recruitment and selection of employees is done using the HR policies of the organisation.	84	1	4	3.08	.908
Valid N (listwise)	84				

Table 4 represents the item statistics of recruitment and selection practices according to the employees. A mean 2.83 shows that employees were neutral to the question that recruitment and selection is based on skills and knowledge. Employees were neutral to the fact that recruitment and selection is based on nepotism and favouritism and this is represented by a mean of 2.12 which is far and wide from the standard deviation of 1.366. A mean of 3.21 indicates that employees agree that people selected to perform at a higher level also demonstrate commitment rather than just to replace departing employees or add up to the number. A mean of 3.20 shows that employees agreed that the recruiting of skilled employees leads to higher organizational performance. Represented by a mean of 2.63 shows that employees were neutral to the fact that recruitment is done by using job advertisement in newspapers. This assertion was further concretised by the revelation that rural banks do not often resort to advertisement to recruit because they rely mainly on recommendations mostly from top management and internal means of filling vacancies. Asked on whether recruitment and selection of employees is done using the HR policies of the organisation employees agreed to it that it was done that way with a mean of 3.08.

Table 5: item statistics of appraisal and performance management questions asked

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation workers are appraised annually.	84	1	5	3.37	.655
In my organisation information gathered are used in making decisions.	84	1	5	3.10	.873
In my organisation performance appraisal increases employee's commitment and satisfaction.	84	1	5	3.04	1.035
In my organisation feedbacks are given after an appraisal is done.	84	1	5	2.77	1.112
In my organisation performance management helps improve organisational performance	84	1	5	3.15	.963
In my organisation employees are counseled after appraisals are done to help them improve their works.	84	1	5	2.76	1.147
In my organisation performance management has developed the performance of individual and teams.	84	1	5	3.07	1.117
Valid N (listwise)	84				

Table 5 displays the item statistics of performance appraisal and management practices of Sekyere rural bank. It is indicated with a mean of 2.70 to 2.76 that employees neither agree nor disagree to the questions asked on appraisal. That is they were neutral on their responses and with a mean on 3.00 and above shows that employees agreed on the questions asked on performance and appraisal management. For example with a mean of 3.07 it can be seen that employees agreed to it that performance management has developed the performance of individual and teams.

Table 6: item statistics of training and development questions asked.

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation the training and development of employees is compulsory.	84	1	5	2.81	1.012
In my organisation the training and development of employees is done on annual basis.	84	1	5	2.50	1.349
In my organisation training and development of employees is done to enhance employee performance.	84	1	4	3.24	.786
In my organisation training and developments is done to improve the employees' skills and knowledge.	84	1	5	3.27	.750
In my organisation training and development is done through summits and workshops.	84	1	5	3.14	.946
In my organisation training and development improves organisational performance and an increase in profits.	84	1	5	3.19	.857
In my organisation training and development programmes are organised to help employees grow.	84	1	5	3.05	.890
In my organisation training and development programmes are designed in accordance to corporate goals and objectives.	84	1	5	3.08	.908
In my organisation training and development programmes are well designed and executed.	84	1	5	3.00	.982
In my organisation training and development programmes are designed to improve positive relationship between employees.	84	1	5	3.21	1.065
Valid N (listwise)	84				

Table 6 covers item statistics of training and development practices carried out by the rural bank. From the table, the mean of 2.81 shows that employees were neutral on whether the training of employees was compulsory. Again, the mean of 2.50 also shows that employees did not agree neither nor they agreed on the question asked if employees were trained on an annual basis. Furthermore it can be seen that the rest of mean collected was ranging from 3.00 to 3.27 which shows that they agreed to the questions asked.

Table 7: item statistics on compensation questions asked

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation compensation packages are based on performance.	84	1	5	2.27	1.356
In my organisation compensation is based on competence and skills.	84	1	5	2.71	1.285
In my organisation people are paid to encourage them to perform better.	84	1	5	2.52	1.349
In my organisation people are paid more because of how long they have been in the organisation.	84	1	5	2.50	1.541
In my organisation people are paid overtime for extra work done.	84	1	5	2.88	1.312
In my organisation employees are sometimes given an indirect form of financial package.	84	1	5	2.88	1.284
In my organisation our compensation packages attract, motivate and retain employees.	84	1	5	2.94	1.283
In my organisation our compensation packages are internally equitable.	84	1	5	2.73	1.356
In my organisation our compensation packages are externally equitable.	84	1	5	2.56	1.245
Valid N (listwise)	84				

From the table above it can be seen that the mean was ranging from 2.00 to 2.94 this clearly shows that the employees were neutral on their responses to the questions asked on compensation that is they neither agreed nor disagreed.

Table 8: item statistics on the employment security questions asked.

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation employment security encourages people to take longer-term prospective on their jobs.	84	1	5	2.88	1.176
In my organisation employment security enhances productivity.	84	1	5	3.06	1.057
In my organisation employment security maintained overtime helps to build trust between people and their employer.	84	1	5	3.01	1.035
In my organisation employment security does not mean that the organisation retains people who do not perform well.	84	1	5	3.11	1.242
In my organisation employment security improves organisational performance as well as its finances.	84	1	4	2.95	.930
Valid N (listwise)	84				

Table 8 clearly shows that all 5 items under the above category register mean figures that indicate the employees either do not wish to take a position to agree or disagree on the items or even when they do, do not give strong agreement to the listed items in the employment security practices offered by their organisations. The item seeking to establish whether in the organisation employment security does not mean that organisation retains people who don't perform well has the highest level of agreement from employees and it is represented by a mean of 3.11. The item with the least of agreements yet maintains a neutral stand is the one asking whether employment security encourages people to take longer-term prospective on their jobs and it is represented with a mean of 2.88

Table 9: item statistics of employee participation questions asked

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation employees are involved in decision making.	84	1	4	2.71	1.025
In my organisation employee's participation helps in the achievements of organisation's missions and visions.	84	1	5	2.99	.976
In my organisation employees' full potential are realised through employee participation.	84	1	5	3.07	.967
In my organisation employee participation helps in organisational performance.	84	1	5	3.13	.915
In my organisation employee participation helps to motivate them and create a form of commitment and loyalty to the company.	84	1	5	3.20	.954
In my organisation employee participation helps to retain skilled employees.	84	1	5	3.08	1.078
Valid N (listwise)	84				

Table 9 displays item statistics of employee involvement practices within the selected organisation. There is an appreciable agreement on employee participation helping organisational performance and this represented by a mean of 3.13. Attracting the highest level of agreement and mean of 3.20 is the item asking if employee participation helps to motivate them and create a form of commitment and loyalty to the company. These Items; employees involvement in decision making and employee participation helping in the achievement of organisations missions and vision have mean of 2.71 and 2.99 respectively. This means that employees remain neutral on the two items in the questionnaires.

Table 10: item statistics on career planning questions asked.

	N	Minimum	Maximum	Mean	Std. Deviation
In my organisation employees have clear career paths.	84	1	5	3.08	1.204
In my organisation employee's career aspirations within the organisation are known by his/ her immediate superior.	84	1	5	2.86	1.099
In my organisation employees have more than one potential position for promotion.	84	1	5	3.24	1.137
In my organisation individual and organisation growth needs are matched.	84	1	5	3.13	1.240
In my organisation plans are made for career and development of employees.	84	1	5	3.13	1.210
In my organisation internal employees are preferred whenever there are vacancies.	84	1	5	3.14	1.110
In my organisation each employee is aware of his or her career path.	84	1	5	3.00	1.141
Valid N (listwise)	84				

Table 10 gives the item statistics on career planning practices of Sekyere Rural Bank. Employees agree that employees have more than one potential position for promotion. This is represented by a mean of 3.24. A mean of 3.00 shows that employees agreed that they are aware of their career path. This clearly indicates that employees believe it is up to them to become aware of personal skills, interest, knowledge, and acquire information about opportunities and choices in order to achieve career-related goals. For questions of whether employee's career aspirations within the organisation are discussed with immediate supervisor, employees are clear about promotion possibilities and if the organisation plans for the career and development of employees, the above statistics show mean of 2.86. This means that managers neither agree nor disagree on the above assertions of the researcher and that is they had a neutral point.

Loyalty Scale

Table 11: represents the statistics done on loyalty

	N	Minimum	Maximum	Mean	Std. Deviation
I prefer to use the banking services of the organisation I work for.	84	1	5	2.88	1.091
I think the organisation has the best services for staff at present.	84	1	5	2.93	1.128
I prefer the human resource policies of the organisation I work for instead of others.	84	1	5	2.88	1.339
I am working for an organisation that I really like its human resource practices.	84	1	5	2.83	1.211
I am pleased to work in my organisation instead of others.	84	1	5	3.07	1.106
I like my present organisation's banking services more than others.	84	1	5	3.01	1.058
I feel more attracted to my present organisation because of their human resource practices.	84	1	5	2.52	.988
I am more interested in my present organisation's human resource practices than others.	84	1	5	2.57	1.195
I intend to work in my present organisation till retirement.	84	1	5	2.83	1.387
I intend to buy other products from my present organisation.	84	1	5	2.86	1.142
I recommend my present organisation to those who ask my advice.	84	1	5	3.20	.915
I say positive things about my present organisation to other persons.	84	1	5	3.36	.831
I will consider my present organisation as the best place to work if I were to seek employment again.	84	1	5	2.73	.961
Valid N (listwise)	84				

Table 12 shows the loyalty questions asked to see how loyal the employees are to the organisation. Employees had neutral responses on the questions asked on loyalty under cognitive scale with a mean of 2.88, 2.93 and 2.88 respectively. With the loyalty under affective employees had a neutral response on whether they really like their human resource practices with a mean of 2.83 that is they neither disagreed nor agreed. Employees agreed that they were pleased working in their present organisation with a mean of 3.07 and also agreed that they prefer their organisations banking services with a mean of 3.01. The rest of the questions asked on loyalty under affective had

a neutral response of 2.52 and 2.57 respectively. In addition all the questions asked on loyalty under cognisance had a neutral response that they neither agreed nor disagreed on the questions asked and this is represented with the means of 2.83 and 2.86 respectively. Questions asked on loyalty under action had both neutral response and a positive response. With a mean of 3.20 it can be clearly seen that they will recommend their organisation to those who ask for advice. And with a highest mean of 3.36 it can be seen that the employees do say positive things about their organisation to other persons. When asked whether they will see their organisation as the best place to work when seeking employment again their response was neutral that is they neither agreed nor disagreed with a mean of 2.73.

TABLE 12: Regression method used for the comparison between HRM Practices and Loyalty

Descriptive Statistics			
	N	Mean	Std. Deviation
RS	84	2.8472	.54035
APM	84	3.0374	.62215
TD	84	3.0500	.60748
COM	84	2.6667	.87761
EPS	84	3.00	.754
EP	84	3.03	.667
CP	84	3.08	.740
LOYALTY	84	2.90	.626
Valid N (listwise)	84		

KEY

RS = Recruitment and Selection

APM = Appraisal and Performance Management

TD = Training and Development

COM = Compensation

EPS = Employee Security

EP = Employee Participation

CP = Career Planning

From the table below the practice with the highest mean is the career planning with a mean of 3.08 and the lowest mean of 2.6667 which is the compensation and reward systems unlike the standard deviation the one with the highest mean is the lowest perception and the one with the lowest mean has the highest perception. The larger the standard deviation the wider the dispersion that is some agreed to it, others did not and others did not know at all.

Table 13:

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.599	.350		1.714	.091		
RS	.218	.157	.188	1.388	.169	.368	2.718
APM	-.055	.114	-.055	-.485	.629	.529	1.891
TD	.083	.106	.081	.788	.433	.642	1.557
COM	.023	.104	.032	.217	.829	.319	3.134
EPS	.029	.108	.035	.267	.790	.398	2.510
EP	.134	.125	.143	1.077	.285	.383	2.608
CP	.336	.117	.398	2.874	.005	.354	2.825

KEY

RS = Recruitment and selection

APM = Appraisal and performance management

TD = Training and development

COM = Compensation

EPS = Employee security

EP = Employee participation

CP = Career planning

a. Dependent Variable: LOYALTY

From the table below is a model of all the human resource practices against loyalty and this shows that all the practices does not significantly affects the loyalty of the employees with the exception of career planning which affects loyalty with 48.9%.

Table 14

Coefficients^a

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.696 ^a	.485	.438	.469	2.089

a. Predictors: (Constant), CP, TD, APM, EPS, RS, EP, COM

b. Dependent Variable: LOYALTY

To establish the relationship between employees' perception on human resource practices and their loyalty regression method was used. From the table above one can see that HRM practices affects loyalty in positive way with a percentage of 48.5%.

MODEL

$$Y = 0.599 + (0.188)RS + (0.055)APM + (0.081)TD + (0.032)COM + (0.035)EPS + (0.143)EP + (0.398)P + e$$

For example $y = b + (\text{beta})x + e$ to calculate for career planning $y = 0.336 + 0.0398x + e$ this shows that an increase in career planning increases the loyalty of the employees. And also if u calculate for appraisal and performance management $y = (-0.055) + (-0.055)x + e$ will give you a negative number this clearly shows that appraisal does not affect loyalty in a positive way because employees do not like to appraised and also an increase in compensation will have a little significant effect on loyalty.

Conclusion

This research has provided an overview and a discussion of HRM practices of Sekyere rural Bank. It chiefly focused on perception of employees on HRM practices and the impact of such HR practices on employee loyalty. The purpose was to critically evaluate the perceptions of employees on HRM practices and establish the impact on employee loyalty. Seven HR practices, policies were laid bare before employees for critical scrutiny. This process produced results that indicated that rural banks needed to pay much more attention to the proper management of their Human resources in order to realise their full potential and create competitive advantage through them and improve the loyalty of their employees.

In a nutshell, this study has been conducted in Sekyere rural bank and concluded that the proper management of human resources has enormous impact on employee loyalty with a percentage of 48.5% and this is almost half of a 100% and so human resource practices does affects some aspects of the loyalty of the employees. Management of the bank should start to incorporate HRM thinking into business strategies and make the HR function "strategically proactive" Brockbank (1999). The effective management of the human resources of the bank will create and sustain competitive advantage and improve employee's loyalty to the organisation.

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