

Management as Practice: Improving Productivity and Performance in Organizational Setting

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Abstract

This study examines the effect of human resource management on the productivity of the organization and how different HR variables help an organization to achieve its objectives in efficient and effective way. Here, the focus is on seven basic variables of human resource management which include incentive pay, recruitment and selection, work teams, job security, flexible job assignment, skills training and communication. The objective of the research is to find out how these variables operate among four different selected banks chosen in Ado-Ekiti Banking Sector of Nigeria Economy. Employees have different opinions about different variables; however, the variables that contribute most to the productivity are recruitment and selection, skills training and job security.

Keywords: Human Resource Management, Management, Organizational Setting, Productivity, Performance.

List of Abbreviation: **HR** – Human Resource, **HRM** – Human Resource Management, **SHRM** – Strategic Human Resource Management, **FBN** – First Bank Of Nigeria, **GTB** – Guaranty Trust Bank, **ZB** – Zenith Bank, **MB** – Mainstreet Bank.

Introduction

Human Resource Management (HRM) is a very critical and imperative function that operates within an organization. This function can be classified into recruitment, compensation, development related to the organization, safety, motivation of employees, benefits, wellness, communication and training, administration and performance management and all the activities that are associated with the employees and the ways direction is provided to them to achieve the goals of the organization. Line managers also play a vital role in performing human resource management. Human resource management is inclusive and a proper systematic approach to manage the people working in the organization.

Recently, much work is being done on the impact of the human resource systems on organizational effectiveness. Pfeffer (1994, 1998), emphasized that if company succeed in the complex market place in hypercompetitive environment in terms of patents, technology, economies of scale and access to capital alone but adaptability, innovation and speed are the variables that play the major role which associated with the human resource part of the organization. Pfeffer (1994, 1998) and other researchers (such as, Kochan & Osterman, 1994; Lawler, 1992, 1996; Levine, 1995) place more emphasis on the fact that heavy investments should be made in the field of high-performance or high-involvement human resource systems, that are actually the systems belonging to human resource practices which are formulated to improve the skills of employees, enhance their level of commitment and hence lead to more productivity. All these are facts. However, we cannot ignore the fact that investments in some sectors may be more beneficial than in other sectors.

Due to globalization and increased awareness, organizations are adopting innovative practices like increased flow of information to workers, job flexibility, problem solving teams, incentive pay, training and development etc. We are aware of the fact that the way organization chose its employment practices decides the output of its workers. Theories pertaining to the work practices that affect the productivity of workers, given by researchers like Pfeffer (1994,1998), Miller (1987), focus on the different ways in which policies related to compensation like efficiency wage payments, profit sharing, bonuses and other different types of incentive paid can affect the output of the workers. Yet, there are some other models and practices that focus on diverse employment practices like increased use of work teams, effective recruitment, employment security, flow of financial information to employees and employee voice mechanisms.

According to Delery and Shaw (2001), there are two distinguishing features between the more traditional HR management (HRM) practice research and the SHRM research. First, SHRM studies focused on how HR can enhance the organizational effectiveness and second distinctive feature is the extent of analysis. In HRM practice, research conventionally had an individual-level focus; in similarity, SHRM research is done at the business-unit or organizational level of analysis. Focusing on this aspect, current HR research's main focus is high performance work systems which help increase employee commitment, employee skills and hence productivity and how we can utilize these HR practices to achieve competitive advantage (Lawler, 1992, 1996; Levine, 1995; Pfeffer, 1998). Neither theoretical work(see Lawler, 1992; Levine, 1995; Pfeffer, 1998) nor

pragmatic work (e.g. Huselid, 1995) can give a single exact definition of a high-performance work system, but it is easy to distinguish the practices which these systems include and they are internal merit-based promotions, rigorous selection procedures, high levels of training, cross-functional and cross-trained teams, information sharing, group-based rewards, participatory mechanisms, and skill-based pay. Many researchers have thrown some light on the association between the labour productivity and these different practices mentioned above.

Organizations are incorporating HRM practices in their systems now. However, different organizations adopt them differently depending upon their environment. The level of competition and technology differs from one area to another. No matter what the external or internal environment of organization may be each organization is still adopting new HRM practices. In this study, we use labour productivity is used as the key outcome excluding all other outcomes. Some studies also used other outcomes to measure the effects of Human Resource Management and they include absenteeism, work turnover, perceptions of workers etc. we cannot deny the fact that these outcomes are important. . It is the management of human capital, rather than physical capital that is seen as the most important determinant of company performance. The more sophisticated the HRM system the more effective is the organization. HRM practices do lead to organizational effectiveness.

Purpose of the Study

The main objective of this research is to examine the human resource management in terms of incentive pay, recruitment and selection, work teams, job security, flexible job assignment, skills training and communication. To achieve this broad aim, the following objectives are in focus:

- i. to critically analyze the significance of Human Resource Management practices in bringing positive change in the output of the organizations;
- ii. to identify the Human Resource Management practices that contribute most to the organization's productivity;
- iii. to find out the satisfaction level of the employees pertaining to the Human Resource activities operating at a particular point of time;
- iv. to increase awareness in organizations regarding effective HRM activities;
- v. to do comparative study among the public and private sector banks.

Hypothesis

There is no significant difference in the human resource management and productivity.

Research Methodology

The researcher employed ex-post facto design and the data were selected from 4 Commercial Banks in Ado-Ekiti viz. FBN (First Bank of Nigeria), GTB (Guaranty Trust Bank), ZB (Zenith Bank) and MB (Mainstreet Bank). One hundred (100) questionnaire were administered out; 36 from FBN,26 from ZB, 24 from GTB and 14 from MB. The listed responses against each question are numerically quantified using Duncan Mean test. All the responses against each question asked in the interview is interpreted and the answers are then compared to develop a rationally based finding. The hypotheses generated from this study were tested with two (2) parameter tests viz; Duncan mean test, Multiple regression analysis and the variables which contributes the most to the productivity of each bank.

Analysis and Discussion

Hypothesis

Table 1: Duncan Mean Test

Variables	HBL (N=36)		NBP (N=24)		MCB (N=26)		Bop (N=14)	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Incentive pay	3.67	0.95	3.91	0.95	4.15	0.76	2.71	0.7
Recruitment and selection	3.5	0.73	3.7	0.45	3.73	0.40	3.2	0.6
Work tams	3.79	0.46	3.78	0.33	3.77	0.62	3.4	0.42
Employment security	3.58	0.38	4.02	0.39	3.70	0.40	3.8	0.75
Flexible job assignment	3.19	0.68	2.5	0.60	3.52	0.48	3.2	0.48
Skills training	3.71	0.83	3.07	0.48	3.8	0.50	3.78	0.40
Communication	4.0	0.59	3.97	0.42	4.0	0.70	3.5	0.50

The data provided by FBN employees shows that response for communication was highest while for flexible job assignment it was lowest. On the other hand, data for employment security was less scattered while for incentive pay it was on the higher side. A performance of HR variables in GTB is known by getting data from 24 employees of GTB. Highest mean is attached with the employment security that people feel that their jobs are secure here and least is for flexible job assignments. Incentive pay's data is mostly scattered while data for work teams is less scattered. From the analysis of data of ZB, we come to know that highest mean is attached with incentive pay while least is attached to flexible job assignment. It is interesting to know that data of both recruitment and employment security has equal value of scatterings. MB is a public sector bank. It has highest mean of employment security. It means most people think that they have a secured job and they feel not much risk to their job. This value is high for public sector banks as already seen in the case of National bank. It has low mean value attached to incentive pay. It has data scatterings ranging from 0.4 to 0.75. Low value is attached to training while data is most scattered in case of employment security.

Table 2: Multiple Regression Analysis MB

Independent variable	Department Variable (Productivity)		
	Beta	Simple R	t - value
Incentive pay	0.20	0.512	2.2
Recruitment and selection	0.36	0.561	3.76
Work teams	0.20	0.568	2.2
Employment security	0.41	0.480	4.19
Flexible job assignment	0.17	0.258	1.9
Skills training	0.24	0.369	2.6
Communication	0.25	0.547	2.7

This is another public sector bank. All those 7 variables that have been tested before are tested here. It shows that employment security comes as a winner with beta 0.41 and t-value 4.19. It has maximum contribution towards productivity. It is followed by recruitment with beta 0.36 and t-value 3.76 while other factors are lagging behind. It shows that flexible job assignment contributes least towards productivity with beta 0.17 and t-value 1.9. The results are significant at .05 p-values.

Table 3: Multiple Regression Analysis FBN

Independent variable	Department Variable (Productivity)		
	Beta	Simple R	t - value
Incentive pay	0.42	0.447	4.36
Recruitment and selection	0.40	0.503	4.12
Work teams	0.50	0.304	5.6
Employment security	0.44	0.431	4.67
Flexible job assignment	0.35	0.385	3.75
Skills training	0.46	0.466	4.80
Communication	0.29	0.363	3.10

This analysis shows the impact of HR variables in FBN. While studying data carefully, we come to know that highest contributor towards the labor productivity is work teams as its beta value is maximum which 0.5 and its t-value is also maximum among all variables which is 5.6. It has also significant contributions from skills training whose beta value is 0.46 and t-value is 4.8 and employment security whose beta value is 0.44 and t-value is 4.67. In this regard,

Communication is the least contributing factor in the productivity of FBN with beta value of 0.29 and t-value of 3.1. This shows the trend in this bank. It is the analysis of all these HR variables that are selected to check their impact on the level of productivity of bank. It can be turned over for the bank during a particular period. This analysis is significant at 0.05 level.

Table 4: Multiple Regression Analysis GTB

Independent variable	Department Variable (Productivity)		
	Beta	Simple R	t - value
Incentive pay	0.46	0.667	4.8
Recruitment and selection	0.40	0.425	4.2
Work tams	0.42	0.432	4.37
Employment security	0.50	0.775	5.3
Flexible job assignment	0.28	0.362	3.1
Skills training	0.35	0.605	3.7
Communication	0.47	0.338	4.86

This analysis is also significant 0.05 level. In this analysis, we can easily see that largest contributor towards the productivity for the bank is employment security with beta value of 0.5 and t-value of 5.3 followed by communication level in the bank with beta value of 0.47 and t-value of 4.86. It has incentive pay as the third largest contributor with bet value of 0.46 and t-value of 4.8. In this case flexible job assignment is the least contributor in the productivity of bank with beta 0.28 and t-value of 3.1. It is evident from the beta portion of this table given.

Table 5: Multiple Regression Analysis ZB

Independent variable	Department Variable (Productivity)		
	Beta	Simple R	t - value
Incentive pay	0.30	0.568	3.2
Recruitment and selection	0.42	0.549	4.35
Work tams	0.32	0.561	3.3
Employment security	0.4	0.724	4.18
Flexible job assignment	0.28	0.368	3.1
Skills training	0.38	0.378	4.0
Communication	0.26	0.285	2.8

This is the data about ZB. It also shows the contribution of independent variables in the productivity. Recruitment and selection is largest contributor with beta 0.42 and t-value 4.35 followed by employment security with beta 0.4 and t-value 4.18 and skills training with beta 0.38 and t-value 4. These are the prime three factors that contribute maximum towards the dependent variable. In this race, communication comes at the last number with beta 0.26 and t-value 2.8. It means, it is the least contributor towards productivity.

Table 6: The variables which contribute the most to the productivity of each bank.

Banks	Variable affecting most
FBN	Work team
GTB	Employment security
ZB	Recruitment and selection
MB	Employment security

This table shows the variable that contributes the most productivity in the banks.

Conclusion

It is worthwhile to compare four banks based on these seven HR variables. These seven variables are very much necessary for the productivity. Comparing these four banks, one can see that the major factors that contributed more towards productivity are recruitment and selection, skills training and job security is very much larger contributor. Variable like communication have different influence in different banks. Flexible job assignment has also come as a variable that has less contribution in comparison with other variables that are chosen for this study. Incentive pay is another variable that is performing different for different banks. It can be seen from above. It has established a relationship among these variables and productivity that has been shown in the tables above. It is clear that employees in these four banks have different opinions about all the variables under investigation. It is fair to conclude that human resource is a very important concept regarding the productivity of the business. From the study, it has been concluded that these HR variables have a relationship with the productivity of the bank. It is needed to select the optimum mix of variables that produce maximum results in the case of productivity. It is evident from the study that if banks are successful in employing these HR practices, likelihood increases that they are going to get more result.

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