RESEARCH ARTICLE

IMPACT OF HUMAN RESOURCES MANAGEMENT ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY

Samuel Tobenna C. Udokwu1, Ese Eigbadon Oshiosteb, Chinwe Chinazo Okoye1, Tochukwu Chinwuba Nwankwo1, Ngozi Ukamaka Azubuike1, Ngozi Samuel Uzougbob*

1Independent Researcher, Lagos State, Nigeria
2VCS Ltd, Abuja
3Access Bank Plc, Nigeria
4National Open University of Nigeria, Abuja
5Department of Business Administration, Alex Ekwueme Federal University, Ndufu-Alike, Ebonyi State, Nigeria
6The Ohio State University
7Corresponding Author Email: ese.eigbadon@gmail.com

This is an open access journal distributed under the Creative Commons Attribution License CC BY 4.0, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited

ARTICLE DETAILS

Article History:
Received 10 May 2023
Revised 14 June 2023
Accepted 10 July 2023
Available online 23 July 2023

ABSTRACT

The research was an investigation into the impact of human resources management on the performance of Nestle Plc. However, it was observed that the significant and pervasive role of human resources in the growth and development of the organization seems to have been compromised, leading to a misplacement of its role in achieving organizational performance. Inefficient management of human resource administrative processes continues to undermine the organization’s ability to effectively meet the service delivery needs of society. The primary objective of this study was to assess the influence of human resources management on the performance of Nestle Plc. To achieve this, primary data sources were utilized. The questionnaire was employed as the primary data collection tool, and regression analysis was performed to test the hypotheses. The findings of the study demonstrated that human resource development has a significant impact on employee effectiveness, operational efficiency, and the quality-of-service delivery. Based on these findings, the study recommends the implementation of regular training and development programs for employees to ensure that their knowledge is up-to-date. Furthermore, it suggests the revision of existing welfare packages to align with the current economic realities in the country.

KEYWORDS

HRM Strategies, Organizational Performance, Employee Performance, Performance Management, Nestle Nigeria Plc

1. INTRODUCTION

Human capital plays a pivotal role in an organization, providing an essential avenue for talent development and facilitating significant organizational growth (Abdulmajeed, Nasrreddine, Aml, & Younis, 2023). In the modern era, organizations are expected to deliver exceptional efficiency and effectiveness in their operations. This includes product and service delivery, profit optimization, and performance enhancement, all accomplished through strategic human resource utilization.

The foundation of an organization’s success lies in its employees’ skills, knowledge, and experience (Anwar & Abdullah, 2021; Jacobs & Mullins, 2010). Organizations that harness the potential of their workforce optimally are more likely to attain their desired level of growth and success (Ibrar & Okolie, 2019). However, ensuring that employees are motivated and directed towards beneficial endeavors is essential. As Mullins (2005) highlights, a major study by Proudfoot Consulting found low workplace morale to be the primary cause of productivity loss (Mullins, 2005; Ito do et al., 2018).

Over the past three decades, the world has witnessed considerable technological, economic, and industrial advancements, signifying potential for a prosperous global future. Yet, these advancements haven’t been evenly distributed across the globe, and as development continues, new challenges in the form of social and environmental issues emerge (World Bank, 2002).

The importance of human resource development is universally recognized today, with international agencies and governments alike acknowledging its significance. Institutions such as the World Bank, the United Nations, and its affiliated bodies like UNDP, UNIDO, WHO, ILO, UNICEF, UNESCO, ASEAN, SAARC, the South Commission, and various bilateral aid agencies all affirm the value of human resource development. The knowledge surrounding human resource development is growing rapidly within these entities, creating a pressing demand for balance (Garavan & McGuire, 2010).

Human resource development is the cornerstone for helping employees enhance their personal and organizational skills, knowledge, and abilities (Abrecht, Bakker, Gruman, Macey, & Saks, 2015). It’s fundamental to optimizing organizational performance and fostering a knowledge-based economy (Afza & Nazir, 2007). Key areas such as healthcare, nutrition, population welfare, employment, and poverty reduction form essential components of human resource development (Afza & Nazir, 2007).

Developed nations emphasize knowledge and skills promotion through quality education and proper training, which enhances employability and guarantees equal access for all in the information-based society (Afza &
Human Resource Management, as per study, is a unique approach to managing people that hinges on the conviction that human resources are vital for sustained business success. The management philosophy seeks to attract competent, flexible, and dedicated individuals, manage and reward their performance, and cultivate essential skills (Kew & Stredwick, 2016). The efficacy of a business heavily relies on effective human resource management to hire and retain valuable employees and manage conflicts between workers and management (Mahapatro, 2022). A business’s HRM division also focuses on training its workforce to foster productivity, efficiency, and satisfaction, thereby bolstering the overall business success (Fapohunda, 2012).

In the era of modernization, organizations strive for greater efficiency and cost-effectiveness. Here, the strategic management of people plays a more prominent role, with increasing calls for the Human Resource function to contribute more strategically. Jackson (1993) posits that human resource policies are strategic tools designed to stimulate the workforce towards realizing both individual and organizational objectives. These policies must provide an effective organizational structure, manage it with the right personnel, and secure optimal working conditions, thereby boosting morale and encouraging the highest level of contribution from all employees.

2.2 Measurement of Human Resources Management

2.2.1 Recruitment and Selection

The recruitment process is more extensive than just receiving a pool of applications from potential candidates. It's a continuous process that includes shortlisting, interviewing, and only concludes when an offer is extended and accepted. Throughout this process, it’s crucial for the organization to maintain a positive image to attract and retain the interest of potential employees. The selection process involves finding candidates that meet the specific criteria of the organization. These criteria consist of characteristics or attributes that an organization values in its employees and that influence assessments about a candidate’s potential success within the organization (Judge & Ferris, 1992). For instance, an organization undergoing expansion and innovation may need employees who are especially adaptable and flexible. While such organizational criteria were often intuitively and not explicitly stated in the past, they are increasingly becoming significant in the current business context.

Barclay (1999) contends that organizations are progressively concentrating on broader attitudes and values rather than simply task-specific criteria. He explained that congruence with the organization is often communicated in terms of individual personality, attitudes, flexibility, commitment, and goals (Barclay, 1999). These aspects are considered alongside an individual’s ability to perform the specific role they are being recruited for. The significance of these organizational criteria becomes particularly apparent in situations where job roles are not rigidly defined and are subject to ongoing changes. Moreover, there are situations where specific groups, such as new graduates, are recruited for their potential contributions to the organization, rather than for particular roles or functions. In such scenarios, organizational criteria play a critical role in determining the suitability of the candidates. This shift signifies a focus on the long-term potential and adaptability of candidates, emphasizing their compatibility with the broader organizational culture and goals.

2.2.2 Training and Development

In their study, Green, Felstead, Mayhew, and Pack (2000) examined the viewpoints of 1,539 workers regarding various types of training. Their findings indicated a neutral impact, with 19 percent of employees viewing the training as being neutral and 18 percent perceived the training as having a negative impact. Additionally, 26 percent of employees claimed to have developed new skills through training, while 17 percent believed that the training did not meet their needs.

The authors emphasized that regardless of the training format, employers can cultivate a workforce that is both skilled and dedicated by integrating training initiatives with other retention strategies. Among the most costly training interventions are long-term educational programs such as...
obtaining an MBA or an accountability qualification. By financing such courses, employers effectively communicate to employees that their contributions are highly valued and that substantial career progression awaits them should they choose to remain with the organization. Moreover, they suggest that lifelong learning is expected by the organization. Termination of funding for the course creates a direct incentive for employees to stay (Green, Felstead, Mayhew, & Pack, 2000).

Poor remuneration and compensation benefits often discouraged many skilled and educated human resources in the developed countries (Taiwo, 2011). However, an organization’s commitment to the training and development of its employees creates a subconscious awareness in the minds of employees, the organization’s interest in their progress, which automatically incentivizes employees to remain and work better for the success of the organization.

Recent study introduced an alternative perspective on HR development strategy termed as the “opportunistic approach,” which emphasizes external influences rather than internal ones. This approach involves incorporating innovative ideas regarding development into the organization at large, rather than solely aligning them with current business objectives (Luoma, 2000). These ideas may stem from benchmarking, case studies, networking, as well as academic and industry publications.

Additionally, Luoma proposed a third strategy linking HR development to the concept of organizational capability, which is crucial for maintaining a competitive advantage over time. This approach takes a proactive stance by focusing on the organization’s envisioned future state. It involves a keen interest in anticipatory learning, wherein future requirements are anticipated, and developmental efforts are undertaken in advance.

In a related yet slightly different approach, McCracken and Wallace (2000) built upon Garavan’s (1991) initial conception and redefined strategic HR development (Garavan’s, 1991; McCracken & Wallace, 2000).

2.2.3 Performance Appraisal

Performance appraisal is usually the assessment of staff or managerial performance and not that of an organization’s manual workers (Haraluya, 2022). There are two main categories of appraisal, as follows:

- Informational Appraisal: This involves an ongoing evaluation of an employee’s performance conducted by their departmental supervisor, heavily influenced by the nature of the ongoing interaction between the employee and the manager.
- Formal Appraisal: This refers to a scheduled performance review session, during which an employee’s advancement is typically deliberated with their superior, focusing on job objectives and priorities.

Appraisals are typically carried out by superiors who oversee their respective staff members, which includes an element of formal authority in the appraisal interview (Author, Year). However, in recent times, organizations have introduced 360-degree appraisals to enhance the development of their employees. The appraisal committee includes the employee’s peers, supervisors, and subordinates, allowing for a comprehensive evaluation of the employee’s performance. Appraisals may also be conducted annually or biannually, depending on the organization’s policies.

At the organizational level, an effective Human Resource Development initiative will equip individuals with the necessary skills to engage in developmental levels of work-related learning within a specified timeframe, thereby offering the potential for improved performance outcomes (Swanson, 2022; Werner & DeSimone, 2011). In these settings, HRD is a comprehensive framework that prioritizes the organization’s competencies as an initial step. It subsequently involves training and educational interventions to foster employee development, aligning with the long-term requirements of the organization as well as the career aspirations of the individual. This approach aims to enhance the value of employees to their current and future employers. No writer has successfully put together an all-embracing and generally accepted definition of human resource development within the available literature. As a result, authors vary in their views on human resource development from different perspectives depending on their discipline and hence associate it with different images. It is not surprising that Nadler and Wiggins (1986) stated that human resource development is the development function concerned with the physical well-being of employees so that they give the maximum contribution to efficient working. It is regarded as that aspect of development activity that is physically responsible for ensuring that employees are strategically acquiring, processing, and maintaining peaceful and harmonious working conditions of personnel to enhance high commitment and effective and efficient accomplishment of the organizational goals. Noe et al. (2006) defined human resource development as the organization’s “people practice.” They emphasize that several important human resource development practices, such as analysis design of work, employees’ relations, training and development, rewarding employees, evaluating their performance, choosing employees that an organization performs best when all these practices are managed well by having greater productivity employees. Customers tend to be satisfied and the company tend to be more innovative and develop a more favourable reputation in the community (Nadler & Wiggins, 1986; Noe et al., 2006).

Human resource development is a vital component within the organizational human resources function, focused on enhancing human resource training and experiential learning. It aims to cultivate essential competencies in individuals through performance analysis, identifying gaps, and providing targeted training to bridge those gaps. The efficacy of the system can be evaluated by comparing employee performance before and after participating in diverse training and counselling initiatives. Human resource development is a dual aim of both employee and organizational development (Chams & García-Blandón, 2019). While enabling employee learning and growth, it also contributes to heightened levels of employee contentment (Hanashya & Tahir, 2016). The pursuit of sustainable and equitable development remains a paramount challenge for humanity. Despite notable progress in recent decades, more than one billion individuals still endure extreme poverty and face severe deficiencies in accessing vital resources like education, healthcare, infrastructure, land, and credit, which are crucial for improving their quality of life. The fundamental objective of development is to create opportunities that empower these individuals, along with millions of others who are not currently better off relative to their potential (Gupta, 2014). It also encourages enhanced human capabilities, improved facilities, and an enhanced quality of life. Advancements in education, communication, technology, and global markets have transformed the world into a closely connected global community.

Attempts to delineate the concept of human resource development (HRD) have proven to be challenging, elusive, and perplexing for academics, researchers, and practitioners. This implies that HRD lacks a distinct conceptual or theoretical identity (Chalofsky, 2007; McGoldrick, Stewart, & Watson, 2001). The process of defining HRD is hindered by the persistent absence of clear boundary-drawing perspectives and parameters. The elusive nature arises from the limited empirical evidence surrounding certain conceptual aspects of HRD, such as strategic HRD, learning organizations, and knowledge development. Additionally, confusion emerges regarding the purpose, location, and language associated with HRD (Chalofsky, 2007).
2.4 Review of Empirical Studies

Tahir and Inuwa (2019) investigated the impact of human resource management strategy on the performance of small-scale businesses in Maiduguri Metropolitan, Borno State, Nigeria. Meanwhile, others investigated the influence of human resource management on the organizational performance of selected service stations in Nakuru Town, specifically focusing on the automotive fuels sector (Kuria and Mosi, 2019). A study conducted an analysis of human resource management and organizational performance in the context of the joint marketing of fertilizer and seeds products (Koske, 2012). Additionally, other study explored the effect of human resource management on the organizational performance of Tigo Telecommunication Company. The research findings indicated that human resource management has a significant impact on sales promotion (Njawa, 2015).

Recent study examined the impact of marketing strategies on the organizational performance of commercial banks in Kenya and discovered that human resources play a significant role in this regard (Njagi and Kombo, 2014). Similarly, Munyole (2015) investigated the marketing strategies employed by veterinary pharmaceutical firms in India. The results indicated a significant and positive correlation between the implementation of human resource management strategies and the level of competitiveness. However, it is important to note that this study did not specifically investigate the marketing strategies employed by petroleum companies in Kenya. On the other hand, Omari and Daniel (2015) assessed the human resources management strategies employed by supermarkets in Kisii Town to enhance their performance, and the findings revealed that implementing effective marketing strategies positively influences performance (Munyole, 2015). Maina (2016) conducted a study on the effectiveness of human resource management strategies on the performance of Kenol Kohoa Limited. The study recommends that organizations that implement the effective human resource management strategies as they have a direct influence on organizational performance (Maina, 2016).

In their research examined the utilization of human resources management strategies by tennis-affiliated organizations with the aim of enhancing their competitiveness (Mocholi, 2015). The findings indicated a significant and positive correlation between the implementation of human resources management strategies and the level of competitiveness. However, it is important to note that this study did not specifically investigate the marketing strategies employed by petroleum companies in Kenya. On the other hand, Omari and Daniel (2015) assessed the human resources management strategies employed by supermarkets in Kisii Town to enhance competitiveness. The study revealed that price management alone does not effectively attract customers. However, the study did not provide a definitive analysis of the optimal combination of strategies required to maximize performance (Omari and Daniel, 2015).

In their study conducted research in Nigeria to investigate the influence of human resource management on the organizational performance of the Nigerian Breweries Company in Kaduna. The findings of the study indicated a favourable association between human resource management in the manufacturing and the overall performance of the organization (Jacob and Bajama, 2022). Similarly to other studies conducted a study in Pakistan to explore the impact of human resource management on the organizational performance of autonomous Medical Institutions. The research outcomes revealed a positive correlation between human resource management and organizational performance in these institutions (Khan et al., 2012).

In their research conducted in Iran examined the correlation between human resources management and organizational performance, taking into account the moderating influence of organization-based self-esteem (OBSE) (Arshad and Damiri, 2021). The study collected data from 286 employees of the Iranian National Drilling Company (INDC), selected through a simple random sampling method. Data analysis was performed using SPSS 19 software package, utilizing Pearson correlation and moderated regression analysis. The findings of the study revealed a positive association between human resources management and organizational performance. On the other hand, their comparative study in Taiwan to assess the levels of human resources management, depression, and intention to leave among clinical nurses working in different medical units under the National Health Insurance System (Chiang and Chang, 2018). The research adopted a cross-sectional design and employed various statistical analyses, including Spearman’s correlation, one-way ANOVA with Scheffe post hoc analysis tests, and multiple regression analyses. The survey included 314 participants from regional hospitals in Northern Taiwan. The results indicated that nurses who employed in internal and external medical wards, particularly those who were inexperienced and married, reported higher levels of depression and expressed stronger intentions to leave, influenced by human resources management practices.

Hee and Jing (2018) examined the impact of human resources management on organizational performance in a production industry in Malaysia. The study involved 85 participants who were selected as a
A study of the relationship between human resources management and organizational performance. The study found a significant negative relationship between human resources management and turnover. In Nigeria, a study was conducted to examine the association between human resources management, organizational performance, and turnover. The study selected six representative banks in Lagos State, South-West Nigeria, using a simple random sampling technique. The collected data underwent careful analysis using descriptive statistics. The findings indicated a robust relationship between human resources management and turnover. Additionally, perceived organizational support contributed to employees' job satisfaction, which in turn impacted their job knowledge, work quality and quantity, functional skills, and motivation and loyalty, all of which were positively associated with their job satisfaction, including factors such as pay and supervisory support in human resources management (Shah & Jumani, 2016). The study found a significant negative relationship between human resources management and organizational performance. The study used 382 employees from banks in Lagos State, South-West Nigeria. The study found a significant negative relationship between human resources management and turnover. Similarly, a study in the retail industry in Bangkok (Wu, 2018) found a significant negative relationship between human resources management and turnover. The results indicated that human resources management, in combination with job characteristics, is a strong determinant of organizational performance. Other studies conducted in the same region have highlighted the importance of human resources management in organizational performance (Osibanjo, Kehinde, and Abiodun, 2010). The study found that human resources management is critical to telecommunication companies' organizational performance. The findings of the study showed that human resources management has an impact on the performance of employees regarding their jobs. It was concluded that human resources management is critical to telecommunication companies' organizational performance (Nassazi, 2013). However, the statistical tool used in the study was not specified and analysed based on percentage. Also, the study only looked into human resources management about organizational performance.

A study of the relationship between organizational performance and human resources management among faculty members in Chinese universities was examined. The study utilized a cross-sectional questionnaire survey administered to 700 randomly selected faculty members from six universities. A total of 581 valid questionnaires were obtained. The results, analyzed using correlation analysis, indicated that human resources management was positively associated with organizational performance through factors such as job satisfaction, positive affect, and affective human resources management. The study concluded that administrators should enhance perceived organizational support to improve organizational performance. However, it is important to note that the study did not conduct tests for construct validity, which could impact the reliability of the findings (Xing, 2009).

Miao and Kim (2010) conducted an empirical study in China to investigate human resources management, job satisfaction, and organizational performance. The study involved a sample of 130 employees and their 34 immediate supervisors from two state-owned enterprises (SOEs) in China. The data collected from these participants were analysed using zero-order correlation and hierarchical regression analysis. The results of the study revealed positive associations between human resources management and job satisfaction with organizational performance. Based on these findings, it was concluded that in order to effectively manage the workforce in Chinese organizations, it is important to enhance organizational support by implementing policies, attitudes, procedures, and decisions that demonstrate support for and value the contributions of employees. Additionally, organizations should prioritize employees' well-being, including job satisfaction, which is crucial for driving organizational performance (Miao and Kim, 2010).

Ndulue and Ekechukwu (2016) conducted a study that examined the influence of job satisfaction on organizational performance. The study employed a descriptive research method and collected data from 223 valid questionnaires completed by employees in Lagos State, South-West Nigeria, using a simple random sampling technique. The collected data underwent careful analysis using descriptive statistics. The findings indicated a robust relationship between human resources management and turnover. Additionally, perceived organizational support contributed to employees' job satisfaction, which in turn impacted their job knowledge, work quality and quantity, functional skills, and motivation and loyalty, all of which were positively associated with their job satisfaction, including factors such as pay and supervisory support in human resources management (Shah & Jumani, 2016). The study found a significant negative relationship between human resources management and organizational performance. The study used 382 employees from banks in Lagos State, South-West Nigeria. The study found a significant negative relationship between human resources management and turnover. Similarly, a study in the retail industry in Bangkok (Wu, 2018) found a significant negative relationship between human resources management and turnover. The results indicated that human resources management, in combination with job characteristics, is a strong determinant of organizational performance. Other studies conducted in the same region have highlighted the importance of human resources management in organizational performance (Osibanjo, Kehinde, and Abiodun, 2010). The study found that human resources management is critical to telecommunication companies' organizational performance. The findings of the study showed that human resources management has an impact on the performance of employees regarding their jobs. It was concluded that human resources management is critical to telecommunication companies' organizational performance (Nassazi, 2013). However, the statistical tool used in the study was not specified and analysed based on percentage. Also, the study only looked into human resources management about organizational performance. In China, Wang, Tsai, Lei, and Lai (2016) examined the relationships among human resources management, job satisfaction, and organizational performance of workers in two casinos in Macau. The study used a convenience sample of 105 employees and correlation. The study documented a positive association between human resources management and organizational performance, and the regression model indicated that human resources management and human resources management were effective predictors of sales volume.

In Nigeria, a study was conducted to examine the association between human resources management and organizational performance, taking into account the moderating role of organization-based self-esteem (OBSE). A sample of 286 employees from Nigeria was selected using a simple random sampling method. The data collected were analyzed using Pearson correlation and moderated regression analysis with SPSS 19 software. The findings revealed a positive correlation between human resources management and the performance of teachers in secondary schools. Saks and Gruman (2017) investigated the relationship between human resources management, job satisfaction, and employee turnover. They concluded that employees who perceive organizational support are more likely to be emotionally committed to the organization, exhibit improved performance, and have lower rates of absenteeism and turnover. Additionally, perceived organizational support contributes to employees' psychological well-being, leading to increased happiness and reduced turnover. However, it should be noted that this study did not empirically test these conclusions, which may affect the reliability of the findings (Saks & Gruman, 2017).

In a study, the relationship between organizational performance and human resources management among faculty members in Chinese universities was examined. The study utilized a cross-sectional questionnaire survey administered to 700 randomly selected faculty members from six universities. A total of 581 valid questionnaires were obtained. The results, analyzed using correlation analysis, indicated that human resources management was positively associated with organizational performance through factors such as job satisfaction, positive affect, and affective human resources management. The study concluded that administrators should enhance perceived organizational support to improve organizational performance. However, it is important to note that the study did not conduct tests for construct validity, which could impact the reliability of the findings (Xing, 2009).

Miao and Kim (2010) conducted an empirical study in China to investigate human resources management, job satisfaction, and organizational performance. The study involved a sample of 130 employees and their 34 immediate supervisors from two state-owned enterprises (SOEs) in China. The data collected from these participants were analysed using zero-order correlation and hierarchical regression analysis. The results of the study revealed positive associations between human resources management and job satisfaction with organizational performance. Based on these findings, it was concluded that in order to effectively manage the workforce in Chinese organizations, it is important to enhance organizational support by implementing policies, attitudes, procedures, and decisions that demonstrate support for and value the contributions of employees. Additionally, organizations should prioritize employees' well-being, including job satisfaction, which is crucial for driving organizational performance (Miao and Kim, 2010).
leading to rewards. Satisfaction and productivity are closely interconnected, with effort contributing to effective performance, which in turn leads to satisfaction (Lawler, 2005). However, the nature of the reward system in place can significantly impact organizational performance. A positive relationship between human resources management and organizational performance was found to be significant (Bemana, 2011). Previous research has also shown a positive correlation between human resources management and organizational performance (Bemana, 2011). The details of the data analysis and research findings are not provided in the given information. They measured satisfaction by 20 item scale short form of 5 items Likert scale of the Minnesota Satisfaction Questionnaire (MSQ), while Ohio (NSOIH) human resources management questionnaire was used to measure organizational performance. Human resources management was measured by workload and employee satisfaction. The study’s main purpose was to conduct a study on human resources management and organizational performance. They found a positive relationship between workload and employee satisfaction and a positive relationship between the physical environment and employee satisfaction (Rehman et al., 2012).

Other studies present arguments against human resources management in life insurance. According to them, relying on price competition is not effective in the insurance industry due to consumers’ lack of understanding of the service and the challenges associated with obtaining comparative information. Instead, companies focus on offering high commissions to attract top salespeople who can establish strong relationships with customers. These relationships serve as a barrier for lower-cost competitors attempting to access the customer base. In this scenario, uninformed buyers are often persuaded into relationships that may lead to suboptimal choices, as they are unable to evaluate the quality of the advice. Long-term relationships with life insurance are essential to the firm’s competitive advantage. HRM plays a crucial role in enhancing human capital within the banking sector. This can be achieved through various approaches, such as acquiring human capital from the external market by offering attractive compensation packages or developing it internally by providing extensive training and development opportunities (Jackson & Schuler, 1995).

2.5 Theoretical Framework

2.5.1 Social Systems Theory

Niklas Luhmann proposed a theoretical foundation for Human Resource Management (HRM) (Luhmann, Baacke, & Gilgen, 2013). This theoretical perspective emphasizes the advantages of adopting a grand (social) theory and explores various aspects, including the deterministic view of systems as machines, the open systems approach, and the non-linear systems theory. By considering social systems as self-contained entities, several key contributions to the theoretical foundation of HRM can be identified. Firstly, HRM is conceptualized as social processes, moving away from an individualistic perspective. This shift recognizes that organizing and managing human resources involve complex social dynamics and interactions. Secondly, the importance of individuals within the system’s environment is highlighted, emphasizing their role as essential elements in HRM. Thirdly, the theory avoids unrealistic assumptions about human nature, providing a more balanced understanding of human behavior in the context of HRM. Furthermore, the social systems theory promotes the examination of multiple levels and units of analysis, enabling comprehensive and in-depth analyses of HR phenomena. This interconnectedness between different levels facilitates a more holistic understanding of HRM processes. Lastly, the social systems theory is open to integrating additional theories within its framework, allowing for a broader and more comprehensive perspective of HRM and enabling the incorporation of diverse theoretical approaches. Overall, adopting Luhmann’s social systems theory provides a theoretical foundation for HRM that acknowledges the social nature of HR processes, emphasizing the significance of individuals, avoids unrealistic assumptions, supports comprehensive analysis, and allows for the integration of complementary theories.

2.5.2 Human capital theory

The human capital theory focuses on the role of individuals in the banking industry and their contribution through knowledge, skills, and abilities to improve the industry’s overall performance. According to recent findings, the human capital theory addresses the importance of employees in contributing to the firm’s competitive advantage. HRM plays a crucial role in enhancing human capital within the banking sector. This can be achieved through various approaches, such as acquiring human capital from the external market by offering attractive compensation packages or developing it internally by providing extensive training and development opportunities (Jackson & Schuler, 1995).

2.5.3 Resource Dependence Theory

In the context of resource dependence theory, both groups within the banking industry and resource dependence theory itself aim to exert influence over each other by controlling valuable resources. The activities of HRM are seen as a reflection of the power dynamics within this system. On the other hand, resource-based theory, which combines concepts from organization economics and strategic management, proposes that a firm can achieve a competitive advantage if its resources possess three key attributes: value, rarity, and difficulty to imitate. HRM plays a crucial role in ensuring that the firm’s human resources meet these criteria, thereby contributing to the firm’s competitive advantage (Penrose, 2009; Barney & Hesterly, 2015).

3. Research Methodology

3.1 Research Design

The research design encompasses the comprehensive plan selected to systematically integrate various elements of the study, ensuring a coherent and logical approach to effectively address the research problem. It serves as the framework for collecting, measuring, and analyzing data, providing a blueprint for the entire research process. The researcher employs the survey research design because it entails an accurate assessment of the characteristics of a whole population through a survey of the sample from which an inference is drawn. It also provides versatile and practical information on which to base sound decisions, and facts and figures can be obtained.

3.2 Population of the Study

A population refers to a specific and identifiable group of individuals, which can be a group that shares a common characteristic. In statistical terms, a population represents the entire set of individuals from which a sample is selected for a study. In the context of this study, the population of interest consists of 92 staff members employed at Nestle Plc, Abuja.
4. Sample Size Determination

Sample size can be defined as a subset of a population or a selected proportion of an entity. The essence of the sample size is for easy analysis of data collected about a problem; because the population of the study is very large, making a census or a complete enumeration of all the variables in the population is often impossible. For this study, sample size formula is used to determine the sample size (Equation 1) (Yamane, 1967).

\[
  n = \frac{N}{1 + N(r^2)}
\]

Where \( n \) is the sample size, \( N \) is the study population, and 0.5 is the Confidence level.

This is now calculated as shown below (Equation 2):

\[
  n = \frac{92}{1 + 92(0.5)^2} \neq 75
\]

An iteration of 20% was added to the sample size to allow for more respondents in view of possible inaccurate responses and unreturned questionnaires that are normally associated with survey studies. The new sample size after iteration stood at 90 to increase the sample’s power.

4.1 Sources of Data Collection

The research will make use of original data obtained directly from the participants, known as primary sources of data. The questionnaires will contain inquiries aimed at obtaining feedback from the respondents regarding the influence of Human Resources Management on gaining a competitive advantage.

The researchers used a questionnaire to collect primary data, which will help answer the research hypothesis. The questionnaire was structured and open-ended to be objective and allow the respondents to provide information that is not covered. Data obtained through these means assure originality and eschew subjectivity. The method of data collection in the research is basically a questionnaire, and a questionnaire is a set of possible questions aimed at extracting information about the impact of Human Resources Management on competitive advantage. The questionnaire is a 5-point Likert - Scale ranging from strongly agree =1 to strongly disagree =5.

4.2 Method of Data Analysis

The primary data will be presented and analysed using frequency tables, percentages showing the ratio of each response group, and regression analysis. Hypotheses were tested using regression analysis. Regression analysis is a valuable method that allows researchers to examine how the average value of the dependent variable is influenced when altering any of the independent variables. In this study, regression analysis was employed as a data analysis tool. Regression, as a statistical approach, enables the estimation and evaluation of relationships between variables. It encompasses various techniques for modelling and analysing multiple variables, with a particular emphasis on understanding the connection between a dependent variable and one or more independent variables, also known as predictors.

4.2.1 Data Presentation and Analysis

From the ninety copies of the questionnaire administered, eighty copies of the questionnaires were duly filled and returned. Therefore, analysis was done based on the questionnaires returned. From Table 1, the number of male respondents is represented by 60% while the female was 40%. This shows that the male respondents are more than the female respondents. Table 2 the age distribution of the respondents shows that 31.25% fall between 20-30 years old, 37.5% are within the 31-40 age range, 18.75% are within 41-50 Years, and 12.50 are 50 Years and above. This shows that in the population, the respondent that falls between 31-40 years has the highest percentage in the study. The educational background of the respondents is represented in Table 3, which obviously shows that 12.5% possess primary school certificates, 22.5% possess SSCE/GCE certificates, 25% of the respondents are OND/NCE certificate holder, 27.5% possess B.Sc./HND certificate, and 8.75% of the respondents are M.Sc./MBA certificate holder while 3.75% have other qualifications such as Computer studies. This purely describes that the majority of the respondents are literate.

<table>
<thead>
<tr>
<th>Table 1: Gender Distribution of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

<table>
<thead>
<tr>
<th>Table 2: Age Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
</tr>
<tr>
<td>20-30 years</td>
</tr>
<tr>
<td>31-40 years</td>
</tr>
<tr>
<td>41-50 years</td>
</tr>
<tr>
<td>50 and above</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

<table>
<thead>
<tr>
<th>Table 3: Distribution of Respondents by Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualification</td>
</tr>
<tr>
<td>Pry Sch Cert</td>
</tr>
<tr>
<td>SSCE/GCE</td>
</tr>
<tr>
<td>OND/NCE</td>
</tr>
<tr>
<td>B.Sc./HND</td>
</tr>
<tr>
<td>M.Sc./MBA</td>
</tr>
<tr>
<td>OTHERS</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

The marital status of the respondents, as presented in Table 4, shows that 36.25% of the respondents are single, 23.75% are married, 27.5% are divorced, and 12.5% are widowers. This shows that the majority of the respondents are not married. Table 5 reveals that 6.25% of the respondents have worked in the organization within 1-5 years, 18.75 has worked within 11-15 years, 25% have worked between 16-20 years, and 23.75% have worked between 21-25 Years while 5% has worked for 26 Years and above. This shows that the majority of the respondent has the experience. Hence they can give a valid opinion.

From Table 6, 15% of the respondents strongly agreed that human resource development has an effect on employee effectiveness at Nestle,
32.5% agreed, 5% were undecided, and 27.5% disagreed, while 20% of the respondents strongly disagreed. This shows that human resource development has an effect on employee effectiveness at Nestle. From Table 7, 35% of the respondents strongly agreed that human resource development affects the operational efficiency of Nestle, 27.5% agreed, 2.5% were undecided, 16.25 disagreed and 18.75% strongly disagreed. This implies that the majority of the respondent strongly agree that human resource development affects Nestle's operational efficiency.

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>29</td>
<td>36.25</td>
</tr>
<tr>
<td>Married</td>
<td>19</td>
<td>23.75</td>
</tr>
<tr>
<td>Divorce</td>
<td>22</td>
<td>27.5</td>
</tr>
<tr>
<td>Widow (er)</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 Years</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>6-10 years</td>
<td>15</td>
<td>18.75</td>
</tr>
<tr>
<td>11-15 years</td>
<td>17</td>
<td>21.25</td>
</tr>
<tr>
<td>16-20 years</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>21-25 Years</td>
<td>19</td>
<td>23.75</td>
</tr>
<tr>
<td>26 years and above</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

From Table 8, 32.5% of the respondents think that human resource development has an effect on the quality service delivery of Nestle, 27.5% rate it satisfactory, 2.5% were undecided, 16.25% said it is not satisfactory, and 21.25% of the respondents said it is unsatisfactory. This implies that most respondents believe that human resource development affects Nestle's service delivery quality. From Table 9, 25.0% of the respondents think that the relationship between promotion and employee performance is very favourable, 28.75% support favourable, 3.75% were undecided, 20% of the respondents support fairly favourable while 22.5% of the respondents strongly said it is totally unfavourable. This shows that the relationship between promotion and employees performance is very favourable.

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>FREQUENCY</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agreed</td>
<td>12</td>
<td>15.0</td>
</tr>
<tr>
<td>Agree</td>
<td>26</td>
<td>32.5</td>
</tr>
<tr>
<td>Undecided</td>
<td>4</td>
<td>5.0</td>
</tr>
<tr>
<td>Disagreed</td>
<td>22</td>
<td>27.5</td>
</tr>
<tr>
<td>Strongly Disagreed</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>FREQUENCY</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very favourable</td>
<td>20</td>
<td>25.0</td>
</tr>
<tr>
<td>favourable</td>
<td>23</td>
<td>28.75</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>3.75</td>
</tr>
<tr>
<td>Fairly favourable</td>
<td>16</td>
<td>20.0</td>
</tr>
<tr>
<td>Unfavourable</td>
<td>18</td>
<td>22.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2023
From Table 10, 36.25% of the respondents strongly agreed that supervision influences organizational performance, 30% agreed, 5% were undecided, 12.5% disagreed, and 16.25% strongly disagreed. This implies that the majority of the respondent strongly agreed that supervision influences organizational performance. From Table 11, 62.5% of the respondents believe that the impact of organizational policy on employee performance is positive, 17.5 think that it is negative, and 20% do not support any of the facts. This shows that organization policy has a positive impact on organizational performance. From Table 12, 26.25% of the respondents think that the level of interpersonal relationship in their organization is very high, 33.75% support high, 3.75% were undecided, 15% support low, while 21.25% of the respondents think that the level of interpersonal relationship in their organization is very low.

4.3 Test of Hypotheses

Earlier in this study, the following hypotheses were formulated for acceptance or rejection, and these are:

- Ho: Human resource development has no significant effect on employee effectiveness at Nestle.
- H1: Human resource development has no significant effect on the operational efficiency of Nestle.
- H2: Human resource development has no significant effect on the quality service delivery of Nestle.

Table 13: Regression Results

<table>
<thead>
<tr>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the Estimate</th>
<th>F</th>
<th>Sig</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>.55</td>
<td>.587</td>
<td>.554</td>
<td>.456</td>
<td>281.453</td>
<td>000</td>
<td>1.456</td>
</tr>
</tbody>
</table>

Source: Regression Output, 2023

Table 14 tests the hypotheses at a 1% (0.001) significance level. When the observed probability p<α, we reject the null hypothesis, which state that Human resource development has no significant effect on employee’s effectiveness at Nestle. Beta=.595, P = .000 at 1 percent. Therefore, since p<α, the research hypothesis is rejected. The implies that human resource development has a significant effect on employee’s effectiveness at Nestle. Hypothesis II

H0: Human resource development has no significant effect on the operational efficiency of Nestle.

From Table 15, the second hypothesis is; Human resource development has no significant effect on the operational efficiency of Nestle. Therefore, since p>α, the research hypothesis is rejected. The implies that human resource development significantly affects Nestle’s operational efficiency.

Hypothesis III

H0: Human resource development has no significant effect on the quality service delivery of Nestle.

From Table 16, the third hypothesis is; Human resource development has no significant effect on the quality service delivery of Nestle. From Table 17, the third hypothesis is; Human resource development has no significant effect on the quality service delivery of Nestle.
The study concluded that human resource development significantly affects employees' effectiveness at Nestlé. Human resource development has a significant impact on the operational efficiency of Nestlé. Human resource development significantly affects the quality-of-service delivery of Nestlé. Human resource planning plays a vital role in enhancing industrial productivity. Productivity serves as the primary catalyst for an organization’s growth and profitability. It represents the relationship between the goods and services produced by the organization's workforce and the human and non-human resources employed in the production process. Essentially, productivity can be understood as the ratio between output and input. A higher numerical value of this ratio signifies greater productivity. Scholars define productivity as the measure of effectively bringing resources together within an organization and utilizing them to achieve desired outcomes. It entails attaining the highest level of performance while minimizing resource expenditure. A broad range of factors determines organizational productivity. It is necessary when assessing productivity to determine how well these factors work together and function as a whole. Changes to any of the factors might affect others. Therefore, an objective assessment will involve understanding how each factor contributes to overall productivity.

5.2 Recommendations

The following are the recommendations for the study:

- It is important for organizations to periodically enroll employees in training and development programs to enhance their knowledge and skills. This, in turn, leads to improved performance and increased productivity in their work. Consequently, it is recommended that the bank allocate more resources towards funding training and development initiatives.

- It is necessary to reassess the current welfare benefits to align with the prevailing economic conditions in the country. Salary incentives should receive special attention as they seem to be the most effective motivating factor for employees at First Bank. Furthermore, it is recommended to provide rewards to employees, particularly in cases of increased turnover. This approach will encourage employees to exert greater effort and contribute towards achieving the bank’s goals and objectives.

- Staff needs for promotion should be identified according to the employees' responsibilities, performance, and schedule of duty rather than lobbying and using “God-Fatherism” or “Connections” to secure approval for it.

REFERENCES


Arbabasiraju, A., Ajdari, Z., Omeidi, K., & Jalalinejad, R. 2013. The
Corporate Sustainable Management Journal (CSMJ) 1(2) (2023) 91-102

relationship between Job stress and performance among the hospitals Nurses. World Sci J, 1, 181-188.


Luhmann, N., Baechter, D., & Gilgen, P. 2013. Introduction to systems...
theory: Polity Cambridge.


Maina, M. N. 2016. The Effectiveness of Marketing Mix Strategies On Performance Of Kenol Kobiel Limited. University Of Nairobi,


Munyole, P. N. 2015. Marketing strategies adopted by veterinary pharmaceutical firms in Kenya to enhance performance. University of Nairobi,


Njawa, J. J. 2015. The effects of advertising on organizational Performance a case study of Tigo Telecommunication network. Mzumbe University,


