



AN INTERPLAY BETWEEN HUMAN RESOURCES MANAGEMENT AND PUBLIC SECTOR ORGANIZATIONAL PERFORMANCE

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Abstract

As economic development becomes more globalized and science and technology continue to advance, corporate management's focus increasingly shifts from managing technology and equipment to managing employees. Several companies are dependent on their employees to gain advantage in the competitive market. This study examines the impact of human resources management practices on the performance of organization in the public sector with particular reference to Ondo State Ministry of Commerce and Industry. Using a survey research design, a sample of twenty (25) respondents was selected for the study using purposeful sampling technique. Findings of the study revealed that training and development has positive and statistically significant effect on organizational performance with the coefficient 0.406 with p-value 0.000 while recruitment and selection have positive and significant effect on organizational performance with the coefficient 0.462 and p-value 0.000. The study concludes that when human resource management within ministry is aligned properly the employees know what is expected of them and may therefore perform excellently and expectations about behavior and work. The study therefore recommends that there should be coherent and strategic training and development that is planned to match both individual and organizational interests. To ensure that training needs identified is realistic and useful, the needs should be discussed with employees. Also, budgets for training and development should be solely dedicated to such purposes and not diverted to another purpose.

Keywords: Human Resource, Organizational Performance, Recruitment, Training

1.0 Introduction

With the globalization of economic development and the continuous progress of science and technology, the direction of enterprise management gradually develops from the management of equipment and technology into the management of staffs. The world has recently seen a rise in globalization, as numerous nations' economies are joining forces to foster international trade through connection and technical advancements (Carnevale & Hatak, 2020). The aforementioned boom has additionally intensified competition in both domestic and international markets, hence providing additional impetus for companies to attract and retain highly skilled personnel.

Enterprise management research gradually shifts its focus to human resources management (Amin & Wan, 2014).

The majority of organizations, particularly those in their early stages, place a strong priority on human resource management. They assist businesses in retaining exceptional talent by using this strategy, allowing their workforce to add greater value to the company. Many businesses rely on their staff to provide them an edge in the cutthroat industry. As a result, they have a close relationship with how effectively they manage their human resources (Collins, 2021).

HR planning, HR management, strategic recruiting, employee training, growth compensation management, efficiency, worker relations, health care, employee satisfaction, and employee service provision are all included in the field of human resource management. It consists of procedures and guidelines designed to raise employee engagement, organizational effectiveness, and job quality (Khan & Abdullah, 2019).

The systems, procedures, and policies that affect how workers behave, think, and perform are collectively referred to as human resource management. HRM is sometimes described by businesses as incorporating "people practices." The organization's business strategy should be supported by a number of key HRM practices, including job analysis and design, human resource planning (estimating the number of workers with specialized knowledge and skills needed), recruiting, selecting, and training staff to ensure they are prepared for the future and can perform their jobs well. Performance management, compensation, and employee relations are other HRM practices that should be prioritized. When every one of these procedures is properly managed, an organization operates at its peak. Effective HRM tends to increase employee and customer satisfaction, as well as a company's ability to innovate, produce more, and build a better reputation in the community (Raymond, 2011).

An indicator of how successfully a business accomplishes its goals is organizational performance (Hamon, 2003). According to Delaney and Huselid (1996), organizational performance is impacted by a number of factors, including customer satisfaction, employee attraction and retention, innovation in products and services, management/employee relations, and employee relations. It has been determined that human resources are advantageous and a source of competitive advantage (Govand Anwar et al., 2021). The human components of an organization are those who can adapt, learn, innovate, and provide the creative push that, when appropriately motivated, can guarantee the organization's long-term survival, according to Bontis (1999). According to Delery (1998), a company's approach to managing its human resources can significantly affect a wide range of outcomes that are pertinent to the firm.

Organizations that encounter difficulties like a recession rely on highly skilled individuals who can quickly adapt to changing conditions and develop winning strategies. It is the duty of human resource management to carefully choose and develop individuals who possess the abilities required to successfully implement the strategy. While certain external variables, such as the failure of major banks and insurance companies, can be anticipated, others seem to happen out of nowhere (Govand Anwar et al., 2021; Robbins, 2010).

Human resource management, according to Noe et al. (2011), is essential to an organization's performance since human capital is valuable due to a few specific characteristics. An organization can be successful in business strategy if it has a sustainable competitive advantage—that is, if it can outperform rivals in a particular area and maintain that advantage over time. Given that they support an organization's expansion and performance, employees are



among its most valuable assets (Danish & Usman, 2010). In line with this, the specific objectives were formulated.

Research Objectives

- i. To examine the effect of Recruitment and Selection on organizational performance of Ondo state ministry of commerce and industry.
- ii. To assess the effect of Training and Development on organizational performance of Ondo state ministry of commerce and industry.

Impact of Human Resource Management practices on organizational performance has been a widely researched area. Result of studies, from developed countries to developing countries; have been time and again showing that HR practices have significant impact on organizational performance. But unluckily, very insufficient numbers of studies have been conducted in this area of public sector context of Nigeria. To augment the contemporary knowledge base of HR practices of developing countries, this study has been undertaken. This study assessed the impact of human resource management on organizational performance with specific reference to Ondo state ministry of commerce and industry's two human resource practices (recruitment & selection; and training & development) on organization performance. There is a great need for additional evidence to support the HRM-performance relationship from different contexts.

According to the study's findings, the employees of the Ondo State Ministry of Commerce and Industry express dissatisfaction with their level of training, development, and benefits. Particularly in light of the recent dynamism in the application of technology and innovation in the business sector, there is insufficient training and development. Top achievers (workers) of public enterprises have been forcibly transferred to other foreign nations due to these reasons. There is no significant work in public organizations in the context of human resource management and the reason is that top management never realize the needs and demands of their employees. As a result, to develop a better understanding this study is being conducted to bridge the gaps uncovered by the previous studies.

2.0 Literature Review

The phrase "human resource management" is an indispensable function for the both the private and public sector organizations. The process addresses a number of operational goals, including hiring, training, selecting, and evaluating employees; fostering positive working relationships with them; and ensuring the welfare and health of all employees within the company by upholding laws established by the relevant state and nation (Aoin, 2017). The firm uses its limited trained staff through the process of human resource management. The organization's primary goal is to make efficient use of its current human resource base.

Recruitment and Selection: There are many different career options available to workers within an organization. Generally speaking, HRM hires people based on their qualifications and skill. A company engages in a variety of activities in addition to its operational processes, such as marketing, maintenance, and finance. Additionally, a company employs people in a variety of roles, including housekeeping, parking, and security. For the many roles within a business, hiring both technical and nontechnical personnel is crucial, and HRM plays a key part in this process (Aoin, 2017). Any organization's hiring procedure is a crucial component that mostly determines its productivity and effectiveness. Every organization's hiring procedure is mostly overseen by the human resources department. Generally speaking, an applicant's talent and merit will

determine how they get hired. During this procedure, the resumes are arranged in accordance with the job description requirements (Meagher, 2015). Following that, the chosen applicants must attend a face-to-face interview when their qualifications, skill set, and knowledge are assessed. The human resources department is in charge of and arranges the in-person interview. Following the interview rounds, the chosen applicant must successfully complete a written exam. The written portion of the test assesses both general ability and job-specific information. The last round is an on-the-job test, where the applicants are evaluated mostly on their ability to solve problems and their flexibility and adaptation in a work environment that is primarily overseen by department managers. One crucial component of human resource management is the employment contract (Aoin, 2017). Maintaining a balance between the organization's and its employees' positions is the primary goal of the employment agreement. It aids in upholding specific laws and rules inside the company (Govand Anwar et al., 2021). Both the company and its workers are required to abide by the regulations or standards outlined in the contract. The employment agreement's numbers and structure are created with the employees' basic needs in mind (English, 2000). The agreement strikes a compromise between the organization's and the side's staff expectations.

The procedure aids in creating a fruitful outline free from constraints and uncertainties in the workplace. The job description, duties, and rights of the employees are also covered in the employment agreement. Any organization finds it extremely challenging to create agreements that benefit all parties. It provides a number of additional details, such as constructive actions to do and those to avoid (Govand Anwar et al., 2021). As a result, the employment contract is essential to maintaining both the organization's and the employees' positions.

Selective Hiring (Recruitment): According to Vlachos, it is beneficial to conduct a highly selective hiring process in order to identify the right candidate who can handle a wide range of job requirements, has the necessary skills and experience, and fits in well with the environment. This process also ensures that the candidate has been chosen with the necessary qualities and abilities to deal with dynamic culture and surroundings. It's a given that a business should hire the most qualified candidates because those individuals will be less likely to look for other jobs. Additionally, Anwar & Abd Zebari (2015) noted that a crucial profit-generating tactic employed by HRMs is essentially a labor-intensive, costly hiring procedure. Additional research by Zhao & Zhou (2020) revealed that hiring the proper people helps a company maximize its resources, improves overall productivity, and saves money on training and development.

Employee Training: As well as Prabhu et al. (2019), who conclude that a major impact on the execution of an activity" or improvement in performance (Cooke et al. 2020), some researchers have found that employee training has a positive effect on organizational performance (Wood & Bischoff, 2020). Increases in overall employee efficiency may result from some, if not all, of these effects, as employers and employees are able to put out their best efforts by learning from and supporting one another. According to a study by Collins & McNulty (2020), on-the-job training does not enhance performance; instead, off-the-job training delivers increased efficiency.

Furthermore, good training improves employee happiness, which is critical for achieving organizational goals, in addition to the efficacy of workers' skills and knowledge (Guest et al. 2020). Unlike Choudhary, a research team's study on HRM examined the connection between HR activities and organizational engagement; the study, conducted by Lamba and her or him,



discovered work motivation (Abdullah & Othman, 2019). While some government agencies have taken more lax tactics, prioritizing short-term gains above training and long-term employee retention, others have made significant efforts to guarantee that their personnel are here to stay. The employee now has a better understanding of the job and is more proficient in performing it thanks to the additional training. The training aimed to connect the market's needs and skills with the expectations of the worker. These things, in my opinion, could be much more beneficial: workforce preparation, re-orientation, formal training, improving worker wellbeing, creating a safer work environment, and refresher training have all had a significant impact on the company's results (Alserhan & Shbail, 2020).

Empirical Review:

Anwar and Abdullah (2021) on how human resource management affects government institution performance. 240 respondents were chosen as the sample size for the study, and the results showed that decentralization is positively associated with organizational performance, leading to the conclusion that decentralization has a positive association with organizational performance. Hamid, Maheen, Cheem, and Yaseen (2017) investigate the organizational performance of 200 employees of ufone and Mobilink franchises in Sargodha city. The study's population consists of all telecommunications companies in Pakistan. The exploratory factor analysis was conducted, and the findings indicated that the higher level of compensation management, organizational citizenship behavior, and employee. The study also shows a positive correlation between employee development, corporate citizenship, and compensation management and organizational performance.

Singh and Kassa (2016) how organizational performance is affected by HRM practices. The poll was completed by 169 Debre Brehan University staff members, including academics and support personnel. There were 58 items in the poll that addressed certain HRM practices and university performance. The study discovered a substantial correlation between university performance and human resource procedures, including hiring and selection, training and development, performance reviews, and compensation. The survey study, which was conducted at the researcher's convenience, produced the results. According to the report, the institution needs to place more of an emphasis on hiring, selection, and compensation if it wants to boost performance to new heights.

Resource-Based View Theory

The Resource Based View of the firm (RBV) has also been applied to the HRM performance link. RBV is a general framework for theorizing about how a competitive advantage can be achieved through the possession of rare and valuable resources that are difficult for rivals to imitate (Takeuchi et al., 2007). Applying RBV to the HRM performance link, one approach is to view employees as resources similar to other organizational resources, with the primary objective of HR practices being to increase human capital and encourage behavior that generates advantages for the organization (Boxall, 1999).

3.0 Methodology

This study took an explanatory research design since it seeks to establish the interplay between human resources management and organizational performance. This is a case study research work that used a selected number of human resources management to get empirical data on human resources management practices and how they affect organizational

performance of Ondo State ministry of commerce and industry. The use of a survey enables generalization to be conducted using findings generated from a sample size which is representative of the whole population.

Sources of Data: The data for this study was drawn from primary data sources. The primary data sources were those original data collected and analyzed by the study. These were mainly obtained from the responses of respondents to self-completion questionnaires distributed to Ondo State Ministry of Commerce and Industry.

Population of the Study: In this study, the target population which is the entire staff of Ondo State Ministry of Commerce and Industry for which the research data would be used to make inferences or generalization is the Directors, Deputy Directors, Heads and Senior staffs among others in the Ondo State Ministry of Commerce and Industry. A sample is a selection of a group of people or events from a population to be able to find out true facts about the sample that will be true of the population. As such, a sample size of twenty-five (25) respondents, representing 79.78% of the population was chosen as a true reflection of the population for the study. Based on non-probability sampling procedure, purposive and convenience sampling techniques were used for selecting respondents for managerial employees and non-managerial employees respectively.

4.0 Data Analysis and Interpretation of Results

The impact of human resource management practices on performance of organization in the public sector of Ondo State Ministry of Commerce and Industry is highly significant as it addresses the challenges and difficulties that impede the process of scientific research. The results of this study are based on the survey outcomes from responses of the employees.

Table 1: Reliability Analysis Test

Items	Cronbach's alpha (Study N=25)	Number of items
Recruitment and Selection	0.78	5
Training and Development	0.803	5
Organizational Performance	0.764	7

Source: Author's Computation, 2023

As seen in table 1, the reliability analysis of the current study. The researcher used two different human resource management practices as independent variables to measure the influence on organizational performance in public sector. In terms of recruitment and selection, it was found that the Cronbach's alpha for five items = $0.78 > 0.6$ this means that the five items used to measure selective hiring were reliable for the current study. In terms of employee training and development, it was found that the Cronbach's alpha for five items = $0.803 > 0.6$ this means that the five items used to measure employee training were reliable for the current study, and lastly in terms of organizational performance, it was found that the Cronbach's alpha for seen items = $0.764 > 0.6$ this means that the seven items used to measure organizational performance were reliable for the current study.



Table 2: Correlation Analysis

HRM Practices		Organizational Performance
Recruitment and Selection	Pearson Correlation	.462***
	Sig. (2-tailed)	.000
Training and Development	Pearson Correlation	.406***
	Sig. (2-tailed)	.000

Correlation is significant at the 0.01 level (2-tailed)

Source: Author’s Computation, 2023

Correlation is a technique for investigating the relationship between two quantitative, continuous variables and Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables. Table 2 shows the result of Pearson's Correlation Coefficient between variables. It was found that training and development has significant correlation with the co-efficient 0.406 and p-value 0.0000) with organizational performance. It was found that recruitment and selection have significant relationship with organizational performance with the co-efficient 0.462 and p-value 0.000.

Table 3: Multiple Regression Result

Model	Coefficients			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	0.587	0.231		2.544	0.012
Recruitment and Selection	0.324	0.048	0.401	6.781	0
Training and Development	-0.025	-0.062	0.028	0.403	0.688

a. Dependent Variable: Organizational Performance

Source: Author’s Computation, 2023

Multiple regressions also allow determining the overall fit of the model and the relative contribution of each of the predictors to the total variance explained. It was entered the two human resource management practices into the regression equations as an independent variables and organizational performance as a dependent variable. It was found that training and development has not significantly predicted organizational performance while recruitment and selection has significantly predicted organizational performance and it has direct positive association with organizational performance.

The findings revealed that recruitment and selection positively influence organizational performance of Ondo State Ministry of Commerce and Industry, the findings are in line with the study by Stavrou, et al, (2007); Vlachos, (2009); Çalişkan, (2010); Arumugam, et al, (2011); Mohamad, (2009) and Gbolahan, (2012), which indicated that there is a positive link between human resources management and organizational performance. In contrast, studies such as Katou, (2008) and Katou & Budhwar, (2009), although have shown that employee training and development have an insignificant relationship with organizational performance; they have also

indicated that there is a weak association between training and development and organizational performance.

The p value was recorded to be more than 0.05, therefore the null hypothesis was rejected and the alternate was accepted. In recruitment and selection process of employees, lay down rules and regulation are followed in advertising for vacancy and effectiveness and efficiency of the process in selecting capable hands to pilot the affairs of the ministry is adhere to. The performance and production of organization can be increased with best employee piloting the affairs of the ministry. Selection and recruitment process making also provide opportunity to increase employees' level to contribute their recommendations and suggestions which is vital for the survival of an organization. If the decision-making power is given to employees working in the ministry, then the ministry performance and employee will be high in quality.

5.0 Conclusion and Recommendations

The present study aimed at investigating into the impact of Human Resource Management on organizational performance of Ondo State Ministry of Commerce and Industry. It further targeted at identifying the major variables involved in human resource management that have this impact. Finally, the study proving recommendations or strategies pertaining to the HRM practices under review that can enhance or improve the performance of the government institutions, particularly in Ondo State Ministry of Commerce and Industry.

The alignment of human resource management with the strategy of organization and the alignment of different practices of human resource management such as training, and recruitment within the ministry are regarded to be essential factors in determining the relation between organizational performance and human resource management. When human resource management within ministry is aligned properly the employees know what is expected of them and may therefore perform similarly and have same expectations about behavior and work. In organizational context performance is not only a wide concept which has been used synonymously with efficiency, productivity, competitiveness and effectiveness.

In line with the findings and conclusion, It is therefore recommended that:

- i. There should be coherent and strategic training and development that is planned to match both individual and organizational interests. To ensure that training needs identified is realistic and useful, the needs should be discussed with employees. "Wholesale" training programs do not yield the desired results. Also, budgets for training and development should be solely dedicated to such purposes.
- ii. To reap the full benefits of training and development programs, adequate monitoring and management of performances of employees should be instituted by management.
- iii. Management should endeavor to link pay to performance. This type of compensation structure is known to ensure fairness, eliminate conflicts and tension and propel employees to higher performance.

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