IMPACT OF HUMAN RESOURCE MANAGEMENT ON ORGANIZATIONAL PERFORMANCE IN NIGERIA: NIGERIA BREWERIES KADUNA PLC AS A CASE STUDY

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Abstract: Over the last decade, much research has been conducted in the field of human resource management (HRM) and its associations with organizational performance. Prior studies have found substantial positive evidence for statistical associations between HRM and organizational performance. The purpose of this study is to investigate the relationships between HRM practices and firm performance. This study examines the relationships among HRM practices and firm performance. The researcher adopted the descriptive survey design. Primary data was sourced through the instrument of questionnaire. The total of 13 department which comprises of 305 employees which the sample size needed to carry out our survey was 75 in order to achieve 90% precision from the sample. The research study is drawn scientifically using the stratified random sampling technique. The findings revealed among others HRM has a great impact on organizational performance and the conclusion is a stimulus to Nigeria breweries through a well-coordinated HRM practices, value added to company's production processes and the contribution made by each employee have more effect on the results obtained by the organisation. This finding leads to the conclusion that HRM can bring about a higher organisational performance for firm. The researcher recommended among others that HRM should endeavor to have a well-structured effective organizational performance in order to achieve the set up objectives and in order to improve employees efficiency and effectiveness towards achieving the organisational goals, the appraisal period should be more frequent probably every quarterly and various motivational instrument should be introduce to entice employees to perform better and these would go a long way in fostering an understanding of multicultural work climate and enhancing the building of a truly agile Nigeria breweries, Kaduna.

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Introduction

In the recent years, the world has witnessed an upsurge in the globalization where the economies of many countries are interlinking to promote foreign trade through technological advances and connectivity (Carnevale & Hatak, 2020). This upsurge has also fuelled the increased rivalry in the national and foreign markets that has further encouraged the organizations in hiring and retaining highly talented workers. Several companies are dependent on their employees to gain advantage in the competitive market.

Therefore, they are strongly related to the efficiency of their human resources and their human resources management (Collins, 2021). Human resource management (HRM) includes tasks like HR preparation, human resources management, strategic recruiting, employee training, growth compensation management, efficiency, worker relations, health care, employee satisfaction as well as provision of employee services. It includes policies and practices set to improve organizational efficiency, engagement of employees and work quality (Khan, Abdullah & Solarin, 2020).

The Success and Continuity of any organization is hinged on the active Human Resource Management to ensure that the employee irrespective of cadre actively participate towards organizational goals; Every organization has its own vision, mission, goals and objectives and all these goals and objective are achieved through the effective utilization of the success of any organization and also their happiness and satisfaction is very important for the success of any organization and human resource management has the opportunity to enable organizations to survive, grow, be competitive and profitable (Warner, 2014).

Nigerian organizations have started realizing the importance of HRM, cheah, Petzal and Selvarajah (2003) stated that Nigerian managers realized that HRM had to be effective to bring about organizational stability and harmony. According to (Nishii, David & Benjamin 2008) Scholars generally agree that appropriately designed Human resources management practices can enhance organizational performance; related theories suggesting and supporting assumption holds that the practices of Human resource management influence employees’ attitude and behaviors.

Human resource management and organizational performance is an invisible asset in an organization, were by it creates value when embedded in the operating system that enhances organizational performance and the ability to deal with the turbulent environment; Human resource management assists in developing human resources into high quality and efficient workforce thus enabling the organization to obtain a competitive advantage through their people (Ismaheel, Sahnun, Mahmudul & Ismail, 2021).

According to Osama, 2012 Human resource dimensions or practices (training, recruitment, reward system performance appraisal etc) have a considerable impact on the performance of organizations and these contribute to the affirmative link between human resource management and organizational performance.

Organizational performance is related to organizational justice which allows employees to get committed to task assigned to him or her; Human resource management dimensions greatly influence the employee’s attitude which in turn affects employees’ performance, If the Human resource management system work effectively, then an increase in organizational performance will be seen (Snape & Redman, 2010).

Statement of the Problem

The distinctive features of HRM ‘human resources management’ as its assumption that improved performance is achieved through the people in the organizations. HRM is the “black box” of the Nigeria breweries Kaduna plc, which is the case study of this research work. Performance improvement is that organization makes policies and processes that will facilitate HR at work; it could be assumed that Human Resource would have a substantial impact on the business or organizational performance.

One of the major problems confronting management in any organization is most effective way of matching people with jobs or different areas of department which they are specialize in an organization to make sure their performance will yield to the goals of the organization in an effective and efficient manner.
According to price (2000), much academic literature has forgotten the human element in human resource management, rather people have been tagged as a ‘resource’ along with other resources such as tables and desk. For human resource management to function very well, price (2000) argued it has to be pragmatic (aims to achieve practical solutions to real work problem) and eclectic (the solutions can be drawn from a variety of theoretical & managerial traditions. Given all these arguments, human resource management is a philosophy of people management based on the belief that human resources are uniquely important to sustain business success; and an organization gains competitive advantage by using its people effectively, drawing on the expertise to meet clearly defined objectives (American Management Association, 2000). As the management of an organization is accountable for obtaining and maintaining qualified employees, in today’s complex environment, fulfilling that mission is a major contribution to an organization’s success (American Management Association).

From experience over the years, with the role of human resource management in the achievement of the organizational goal in Nigeria compared to other organizations of the world. According to Brito and Oliveira, 2016 it has been observed that human resource management in Nigeria has not performed well to support the efficiency and growth of the Nation.

Presently, Nigeria economy is experiencing some economic difficulties which have resulted in retirements, retrenchments, lay-offs, mergers and acquisitions and dismissal of employees.

Nevertheless, most organizations are characterized by lack of funding for human resource management research and development. Nigeria’s democracy has enhanced the practice of HRM, determining the quota of expatriates it permits. Nigeria’s economy allows the importation of new technologies to enhance HRM, but training is still a bit slow, thus employment of expatriates to handle such is still encouraged. In Nigeria, there is application of new management techniques and skills used in the running of organizations, all aimed at running a cost-effective system. HRM practices in Nigerian breweries Plc Kaduna cannot be totally diffused from what is evidence in other countries. However, due the peculiarity of the social-cultural characteristic of Nigeria, HRM in Nigeria is an area open for further research. Good employer-employee relations are therefore critical to the stable and sustainable development of the Nigerian economy, as well as the world economy. Several other factors have affected HRM practices in Nigeria namely, first, lack the internal manpower to complete all necessary tasks. Second, the complexity of today’s business climate as a result of deregulation, globalization, and technology advancements has outpaced many companies' level for companies to get special projects done without adding employees to the payroll (Olofin & Folawewo, 2006).

At this point, the problem this study seeks to address and also to represents a conscious attempt to bridge the gap and contribute to a body of vast literature by examining the impact of Human resource management and how it has facilitated the growth and achievement of Organizational goal in Nigeria Breweries Plc Kaduna State.

**Research Questions**

Based on the above problems, the following research questions were outlined:

- To what extent does human resource management have impact on organizational performance in Nigeria breweries plc Kaduna State?
- How effective is the management of human resources in determining organizational performance in Nigeria breweries plc Kaduna State?

**Objectives of the Study**

The paramount aim of this research work is to examine the impact of human resource management on organizational performance in Nigeria breweries plc Kaduna State. Specifically, the following are objectives to be achieved.

- To examine the impact of Human resource management on organizational performance in Nigeria breweries plc kaduna State.
• To examine the effectiveness of Human Resource Management to determine organizational performance in Nigeria breweries plc kaduna State.

Research Hypotheses

The research question defined above leads to the following research hypotheses:

• There is no significant relationship between human resources management and organizational performance in Nigeria breweries plc kaduna State.
• There is no significant relationship between the effectiveness of human resources management and organizational performance in Nigeria breweries plc kaduna State.

Literature Review

Concept of Human Resource Management

According to Anwar and Abdullah, (2021), before the evolving of the definition of Human Resource Management the management process dealing with the similar kind of subject was known as personnel management, it emerged during the 1920s, it was concerned about a single department and its activities. The department it was concerned about was the human administration department, and its main function was recruitment and selection for the organization; The other functions carried out by this management were related to development, grievance handling, registration, appraisal, reward, retirement etc.

On current structural background Human Resource Management can be defined as systematic process by which human capital or human resource are recruited and managed in such a way that it helps the organization to achieve its objectives; Human Resource Management is concerned about not only the organization but also about the well-being of the human capital involved, so it gives consideration not only towards recruitment and selection but also towards the motivation factors, development and maintenance of human resources. Human Resource Management helps to select the right person, for the right job, at the right time and at right position in a changeable surrounding (Siyamak, 2022).

Concept of Organizational Performance

The concept of performance, as it appears defined in the dictionaries of French, English and Romanian, defines more the idea of outcome, achieved goal, quality, and less the economic aspects of efficiency and effectiveness.

Didier and Sylvie (2002), believes that the performance consists in "achieving the goals that were given to you in convergence of enterprise orientations". In his opinion, performance is not a mere finding of an outcome, but rather it is the result of a comparison between the outcome and the objective.

Organizational performance can be a challenging because of their various standards including sustainability, profitability, pleasing the group, and willingness to deal with environmental changes. Somehow, however, organizational performance can be calculated using financial metrics have generally been thought of as conceptualized on paper rather than in practice (Anwar, Tufail & Mujahid 2017).

Amrutha and Geetha, (2020), also indicate that HRM employees remain longer than others and have greater commitment to their company.

Review of related studies

Several studies have been conducted in the past regarding In order to empirically investigate impact of human resource management on organizational performance in Nigeria, the following studies were reviewed.

Okonkwo, Okafor and Essell (2022) try to examine the effect of manpower planning on organizational performance in the brewery industry in south-East, Nigeria. The study adopted descriptive survey design, used summary and descriptive statistics as well as regression analysis as the main tools of analysis. All tests were conducted at 0.05 level of significance and the preliminary results indicated that F-statistic of 18.029 is statistical significant and as such, the model was considered valid for predictions. The regression coefficient showed that 61.7 percent relationships exist between the dependent and independent variables. The coefficient
of determination also showed that 52.9 percent variation in the dependent variable can be explained by the repressors. It was concluded that human resource planning is very essential for optimal performance in the brewery industry in South-East, Nigeria.

Rehman and Khaton (2022) examined the impact of human resource management practices on organizational performance in the new normal. The research is qualitative; therefore, content analysis (in general) and relational analyses (in specific) were used, and in this regards, 25 pieces of research encompassing the effect of HRM practices on organizational performance were analyzed. The findings revealed a highly positive relationship between an organizations training and development practices with its performance (financial and non-financial).

Chakraborty and Biswas (2021) aim to explore the impact of strategic human resource management practices on organizational climate and organizational performance. The study used simple random sampling technique, and 387 responses have been collected from professionals/managers of different manufacturing unit from five divisions of west Bengal, namely Burdwan, Medinipur, Malda, Presidency and Jalpaiguri. The study implies that proper compensation, good relationship with employees and proper planning of human resources can improve the organizational climate, which also improves the organizational performance.

Nwachukwu and Chladkova (2017) examined human resource management practices and employee satisfaction in microfinance banks in Nigeria. A purposive sample of 60 senior employees of 10 microfinance banks in Nigeria was used for this study, all the 60 questionnaires were returned but 59 were found usable for the analysis, accounting for 98.3% response rate. In analyzing our data, Pearson correlation, ANOVA, and multiple regression techniques were used. The study found out that there is a significant positive association between human resource planning, training and development, employee compensation and employee satisfaction, however, an insignificant positive relationship exists between work environment and employee satisfaction and only three out of the four hypotheses are supported.

Ogunyomi and Bruning (2016) investigated the link between human resource management and organizational performance of small and medium enterprises (SMES) in Nigeria. A survey design with 236 respondents was used to test the hypotheses and multiple regression results showed that human capital development and occupational health and safety had a direct relationship with non-financial performance, and employee performance management and non-financial performance on financial performance. Human resource management practice as a group accounted for 16% of the variance in non-financial performance and 12% of the variance in financial performance. Regression analyses controlled for size and age of the firm and found out there is positive relationships between certain HRM practices and firm performance.

Sani (2012) investigated the impact of strategic human resource management practices on organizational performance of insurance companies in Nigeria as well as examining whether the effectiveness of strategic human resource management practice on organizational performance is contingent on organizations workplace climate. A multi-respondent survey of 18 insurance companies was undertaken and data collected was subjected to regression and correlation analysis as well as descriptive statistics in pursuance of the study’s stated objectives. Organizational climate was measured through a set of questionnaires that we developed based on the eight organizational climate dimension proposed by Koyos and De Cotiis (1991). The results suggest that the relationship between strategic human resource management practices and organizational performance in Nigeria insurance industry is moderately influenced by organizational climate.

A study by Monday (2012) investigated the impact of HRM practices on private sector organizations performance in Nigeria, the purpose of this study therefore was to assess whether Guinness human resource management practice, particularly recruitment and selection, staff performance appraisal, compensation, training and development practices influence its performance. Sample random sampling was used to select eighty employees from Guinness Nigeria Plc and T-tests were carried out to examine the relationship between the selected Human Resource practices and organization performance. The results revealed that from the perceptions of the respondents, there exists a positive relationship between effective recruitment and selection practices, effective performance appraisal practices and Guinness performance. However, the research did not
gather sufficient evidence to conclude on how compensation, training and development practices influence the organization performance.

**Theoretical Framework**

The theory underpinning guiding this study is supply led finance theory. This is explained as follows:

**Scientific Management Theory**

This is a well-known management theory developed by Frederick Taylor in 1911. This theory is also important due to temporal factors and purpose of the investigation. In history his studies were the greatest event of the nineteenth century. This theory is mainly focused on maximum productivity. This theory delivers a proper solution for problems and challenges of industrialists (Tallman, 1992). Taylor has a believed that scientific management is the solution to business problems; he discussed scientific management theory in his book entitled as Principles of Scientific Management. He stated that certain efforts change the management system in some cases, so that interests of workers are converted into interests of management (Choi, 2008).

In an experiment, shovelers efficiency increased from 16 to 59 tons per day, which reduced the number of yard workers from 500 to 140. He brought a revolution in the art of cutting metal and quickly doubled that speed of men cutting metals, in the late nineteenth century and early twentieth century, Taylor worked on increasing efficiency using scientific methods, eliminating additional movements and transfers at workplace.

He wanted to train workers for better jobs, divide the tasks between management and workers and implement scientific management style with respect to different practices and workers in action (Hilman & Abubakar, 2019). In this method, each group makes their best efforts, and he introduced four principles of scientific management theory to increase productivity. He also predicted that these principles are suitable for all kinds of human activities, from an individual simple task to complex organizational activities (Taylor, Doherty & McGraw).

**Methodology**

The research design adopted in this research study is the descriptive survey design. The design enables the researcher to make assessment of employees’ view on impact of human resource management on organizational performance, using Nigeria Breweries Plc, Kaduna as the study. The descriptive survey design ensures that data are collected from the respondents by conducting a survey that will seek to identify the demographic attributes of respondents as well as their views on human resources management and the impact of human resource management on the organizational performance. The population or sampling frame for this study is the entire population of employees of Nigeria Breweries Plc, Kaduna. The population has been divided into sub-groups, which is made up of different departments. Each and every employee belongs to one and only one department at any given point in time. The company has a total number of 305 employees as at the time of carrying out this research.

A breakdown of the entire population according to departments is given in Table below.

<table>
<thead>
<tr>
<th>Dept. No.</th>
<th>Department</th>
<th>Numbers of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Packaging</td>
<td>64</td>
</tr>
<tr>
<td>2</td>
<td>Brewing</td>
<td>48</td>
</tr>
<tr>
<td>3</td>
<td>Engineering</td>
<td>34</td>
</tr>
<tr>
<td>4</td>
<td>Technology</td>
<td>37</td>
</tr>
<tr>
<td>5</td>
<td>Human Resources/ Medical</td>
<td>24</td>
</tr>
<tr>
<td>6</td>
<td>Logistics</td>
<td>26</td>
</tr>
<tr>
<td>7</td>
<td>Sales/Marketing</td>
<td>36</td>
</tr>
<tr>
<td>8</td>
<td>Public Relations</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Finance</td>
<td>8</td>
</tr>
<tr>
<td>10</td>
<td>Security</td>
<td>9</td>
</tr>
<tr>
<td>11</td>
<td>Planning</td>
<td>6</td>
</tr>
<tr>
<td>12</td>
<td>Grains Development</td>
<td>4</td>
</tr>
<tr>
<td>13</td>
<td>Total Productive Management</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>305</td>
</tr>
</tbody>
</table>

Source: Nigeria Breweries Plc., Kaduna as of 2022.
Empirical Model

The sample used in this research study is drawn scientifically using the stratified random sampling technique. The researcher also determined the required sample size for the research study using a scientific method which gives us a high degree of reliability and confidence. The required sample size is determined using the famane formula for calculating sample size. This formula is given as: 

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

Where:

- \( n \) = desired sample size
- \( N \) = population size
- \( e \) = margin of error

For the purpose of this research study, this margin error is taken to be 10%. Since \( N = 305 \) and \( e = 10\% \) (i.e. 0.1), substituting \( N = 305 \) and \( e = 0.1 \) into the formula implies that the required sample size needed to carry out our survey will be: 

\[ n = \frac{305}{1+305(0.1)^2} = 75.31 \]

This implies that a sample size of 75 will be required to achieve 90% precision from the sample.

Presentation and Discussion of Results

The first hypotheses result of chi-square test carried out to determine if human resources management has impact on organizational performance. The chi-square test returned a chi-square value of 27.986 with 3 degrees of freedom. The asymptotic significant value or P-value is less than 0.001. Since the P-value is less than 0.05 (alpha value) we have to reject \( H_0 \). This implies that we have to reject the null hypothesis that human resources management has no impact on organizational performance. In other words, human resources management has a significant impact on organizational performance.

The second hypotheses result of the chi-square test carried out to determine if human resources management is a significant determinant of organizational performance. The chi-square test returned a chi-square value of 37.841 with 3 degrees of freedom. The asymptotic significant value or P-value is also less than 0.0001. Since the P-value is less than 0.05 (alpha value) we must reject \( H_0 \). This implies that we must reject the null hypotheses that human resources management is not a significant determinant of organizational performance. In other words, human resources management is a significant determinant of organizational performance.

Conclusion and Recommendation

Based on the findings, the study concludes as follows:

Human resources management has impact on organizational performance: This conclusion is a stimulus to Nigeria Breweries, Kaduna and firms in Kaduna, firms should keep upholding their experience in human resources management so that they can produce more organizational performance. Through a well-coordinated HRM practices, value added to the company’s production processes and the contribution made by each employee have more effect on the results obtained by the organization.

Nigeria Breweries relies heavenly on human resources management to achieved favorable organizational performance. It is very evident that corporate investment in quality human resources would generate more value for the organization in meeting the needs of all shareholders. Effective human resource management practices influence company performance by contributing to employee and customer satisfaction, innovation, productivity, and development of a favorable reputation of the firm in the industry.

To further improve employee’s efficiency and effectiveness towards achieving the organizational goals, the appraisal period should be more frequent probably every quarter and various motivational instrument should be introduced to entice employees to perform better and should leverage on its human resource management capabilities and wider network of branches.
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