

**UNIVERSITY OF EDUCATION, WINNEBA**

**ASSESSING THE EFFECTS OF HUMAN RESOURCE MANAGEMENT  
PRACTICES ON EMPLOYEE JOB PERFORMANCE: A STUDY OF  
UNIVERSITY OF EDUCATION WINNEBA, KUMASI CAMPUS**



**JULY, 2016**

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**RICHARD KARIKARI**

The logo of the University of Education, Winneba, is a circular emblem. It features a central sunburst or flame-like symbol in white and red, set against a blue background. Below the sunburst is a blue banner with the text 'EDUCATION FOR SERVICE' in white. The entire emblem is surrounded by a blue border.

**A thesis in the Department of Management Studies Education,  
Faculty of Business Education, submitted to the School of  
Graduate Studies, in partial fulfilment  
of the requirements for the award of the degree of  
Master of Business Administration  
(Organizational Behaviour and Human Resource Management)  
in the University of Education, Winneba**

**JULY, 2016**

## DECLARATION

### STUDENT'S DECLARATION

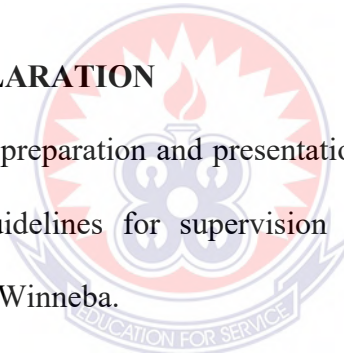
I, KARIKARI, RICHARD, declare that this thesis, with the exception of quotations and references contained in published works which have been identified and duly acknowledged, is entirely the result of my own original research work, and it has not been submitted, either in part or whole for another degree elsewhere.

SIGNATURE.....

DATE.....

### SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of this work was supervised in accordance with the guidelines for supervision of thesis as laid down by the University of Education, Winneba.



NAME OF SUPERVISOR: PROF. GABRIEL DWUMOH

SIGNATURE.....

DATE.....

## ACKNOWLEDGEMENTS

To God be the Glory for His mercies, kindness and guidance for bringing me this far. My greatest appreciation goes to my Supervisor, Prof. Gabriel Dwumoh for his constructive criticisms, suggestions, contributions, directions and above all his patience and encouragement towards the realization of this study. I am indeed grateful. I am also grateful to my wife, Belinda Adutwumwaa and my cherished mother Mad. Abena Boatemaah for their assistance and guidance throughout the study. Finally, my sincere and heartfelt gratitude and appreciation go to entire lecturers and staff of the Department of Management Education, COLTEK.



## **DEDICATION**

I dedicate this work to Mr. Ahmed Musah and to my three sons, Karikari Hilton, Osei Kwame, and Owusu Afriyie Akoto



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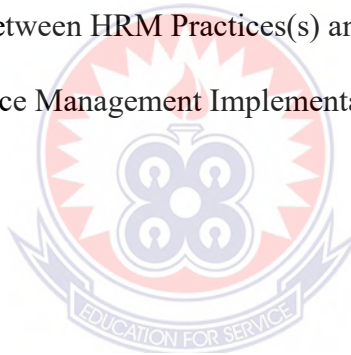


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## ABSTRACT

The study was conducted to examine the effects of HRM practices on the Employee's job performance using University of Education, Winneba-Kumasi campus as the study area. It aimed at describing and identifying the kind of HRM Practices that exist in the University taking, employees perception about it and some challenges thereof. The researcher uses the stratified simple random technique in the study. Using explanatory and quantitative research designs, 115 staff comprising 5 Deans and 110 non-managerial and associate employees were selected for the study. Questionnaires and interviews were used to gather the required data which were analysed into percentages and frequencies. The study found, among other things that recruitment and selection is centralized leave Deans and other heads no precise role to play, employees also believe that training and development offered them are inadequate and performance appraisal system not encouraging among others. The study concluded that the effective management of the Human resource of the University will create and sustain competitive advantage and improve employee's performance. The researcher made recommendations that there should be local involvement in recruitment and selection, a coherent approach and strategic training and development that is geared towards both employees and organizational interest.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Job Performance has become one of the significant indicators in measuring organizational performance in many studies (Sheehan, Clegg, & West, 2004). Even though performance is oftentimes determined by financial figures, it can also be measured through the combination of expected behavior and task-related aspects. In fact, performance that is based on an absolute value or relative judgment may reflect overall organizational performance.

Schmitt & Chan (2003) categorized Employee Job Performance into ‘will-do’ and ‘can-do’. The former refers to individuals’ knowledge, skills, abilities and other characteristics (KSAOs) required in performing certain job and the latter denotes the motivation level that individuals may have in performing their work.

In the last ten years, organisations especially in Africa have been hit with the undisputable fact that the creation of competitive advantage lies in people. Organisations have increasingly recognised the potential for their people to be a source of competitive advantage. Not too long ago, so called HR functions was the preserve of „Personnel Managers“ whose duties were to recruit and select, appraise, promote and demote. These superficial duties could be performed by any manager, it therefore never seemed necessary to employ an expert in the form of a human resource manager let alone create a whole department dedicated to HRM. Little attention was paid to human resource management issues and its impact on organisational performance. The emphasis on traditions and socio-cultural issues

injected an element of subjectivity in „personnel manager“ functions such as recruitment and selection, performance appraisal, promotion, demotion, and compensation.

In today's competitive and rapidly changing business world, it is imperative, on organisations especially in the education and service industry to ensure maximum utilisation of their resources to their own advantage; a necessity for organisational survival. Studies have shown that organisations can create and sustain competitive position through management of non-substitutable, rare, valuable, and inimitable internal resources (Barney, 1991). HRM has surpassed from policies that gather dust to practices that produce results.

Human resource management practices has the ability to create organisations that are more intelligent, flexible and competent than their rivals through the application of policies and practices that concentrate on recruiting, selecting, training skilled employees and directing their best efforts to cooperate within the resource bundle of the organisation. This can potentially consolidate organisation performance and create competitive advantage as a result of the historical sensitivity of human resources and the social complex of policies and practices that rivals may not be able to imitate or replicate their diversity and depth.

Lately, organisations are focused on achieving superior performance through the best use of talented human resources as a strategic asset. HRM policies or strategies must now be aligned to business strategies for organisational success. No matter the amount of technology and mechanisation developed, human resource remains the

singular most important resource of any success-oriented organisation. After all, successful businesses are built on the strengths of exceptional people. HRM has now gained significance academically and business wise and can therefore not be relegated to the background or left in the hands of non-experts. Attention must be paid to the human resources organisations spent considerable time and resources to select.

Armstrong (2009) defines Human Resource Management (HRM) as a strategic and coherent approach to the management of an organisation's most valued assets; that is, the people working there who individually and collectively contribute to the achievement of its objectives. Moreover, Human resource management practices can be defined as a set of organisational activities that aims at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organisational objectives (Wright & Boswell, 2002). The adoption of certain bundles of human resource management practices has the ability to positively influence organisation performance by creating powerful connections or to detract from performance when certain combinations of practices are inadvertently placed in the mix (Wagar & Rondeau, 2006). So if we think human resource management as just the services any manager may provide in recruiting and selecting, appraising, training and compensating employees, then we rather would have to take the backseat for those who understand the influence HRM has on corporate performance to take the centre stage. Research has recorded a positive relationship between human resource management practices and corporate performance. Thus in order to stimulate corporate performance, management is required to develop skilled and talented employees who are capable of performing

their jobs successfully (Klein, 2004).

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

In fact, Ahmad and Schroeder (2003) found a positive influence of human resource management practices (information sharing, extensive training, selective hiring, compensation and incentives, status differences, employment security, and decentralization and use of teams) on organisational performance as operational performance (quality, cost reduction, flexibility, deliverability and commitment). In furtherance of this assertion, Sang (2005) also found a positive influence of human resource management practices (namely, human resource planning, staffing, incentives, appraisal, training, team work, employee participation, status difference, employment security) on organisation performance.

For organizations to survive progressively, HRM should be given its rightful place of relevance in any organisation and not left in the hands of line managers and in this case college principal or registra who neither have the expertise nor the time and

space to carry out the enormity of functions of a human resource manager.

It is in the light of the above condition that the researcher sought to assess the effects of Human Resource Management practices on employee performance, a study of university of education Winneba, Kumasi.

## **1.2 Statement of the problem**

Noe et al. (2010) defined Human Resource Management (HRM) as a philosophy, policy, system and practices that can affect the behaviour, attitudes and performance of employees. Activities of HRM include HRM planning, staffing, training and development, performance management, compensation management, safety and health and employee relations. In an early stage, the management of organization has ignored the function of HRM practices as a main driver of organizational success. Only lately, the potential role of HRM in enhancing organization performance has been realized. HRM practices can improve the performance of organizations by contributing to employee and customer satisfaction, innovation, productivity, and development of good reputation among firm's community (Noe *et al.*, 2010).

Despite the immense importance of Human Resource Management (HRM) Practices towards the realization of Employees Job Performance in particular and organizational performance in general, many organizations do not give emphasis to its effective utilization so as to ensure organizational performance in developing countries like Ghana.



Series of studies have been conducted on Human Resource Management (HRM) Practices in Europe, America, and different parts of Asian continents but little were conducted in Africa in general and Ghana in particular. Most of those little studies conducted on Human Resource Management (HRM) Practices in Ghana, focus more on organization strategy in private organizations like banks, manufacturing firms etc with few from public sector organizations. Furthermore, the studies emphasized on the effects or impacts of Human Resource Management (HRM) Practices on employees job performance. These gaps motivated the researcher on the need for yet another study on the effects of Human Resource Management (HRM) Practices on Employee Job Performance in a public sector organization to be able to bridge the gap.

### **1.3 Objective of the study**

The general objective of this study was to examine the effects of HRM practices on the Employee's job performance using University of Education, Winneba-Kumasi campus as the study area. Other specific objectives are to:

1. Examine the relationship between organizations Human Resources Management practices and employee performance
2. Evaluate the perceptions of employees on HRM practices, policies and programmes of University of Education, Winneba-Kumasi campus.
3. Investigate into suitable Human Resource Management practices of educational institutions.

#### **1.4 Research Questions**

The following research questions will guide the study:

1. What is the relationship between HR practices and employees performance?
2. What are the perceptions of employees and administrators about HR practices of the University of Education, Winneba-Kumasi campus?
3. What are the HRM practices suitable for Educational institutions?

#### **1.5 Significance of the Study**

This study will be useful for other organizations to reduce employee turnover in their business entity. Results and suggestions from this endeavor which is carry out in Ghanaian context can be utilized by other organization to enhance corporate competitiveness and performance. On the other hand, these results will be shared with top management of UEW to identify the critical gap in the people management systems, re- strategize its retention policies and employee engagement activities in line with aspiration of UEW Strategy to position it and to attain global competitiveness in order not to be left out in the globalization battle. In summary, the present research intends to endow human resource practitioners with guidance and support to proficiently manage turnover in their organization. Results from this study will assist in development of an efficient HRM retention program for organizations and in particular for UEW as employee retention is a fundamental strategic tool for organizations to sustain in the market place.

### **1.6 Limitations of the Study**

The study encountered a number of constraints and challenges. The unwillingness of some of the employees and administrators to respond to the questionnaire was a major challenge. They felt uneasy divulging information on their places of work. This the researcher solved by assuring them of the confidentiality of the information they provided. The study was not devoid of time constraints. A lot of time was spent in retrieving the questionnaire but upon persistent visits, 88.3% of the questionnaires sent were retrieved for analysis.

### **1.7 Delimitation of the Study**

It would have been ideal for a study on examine the effects of HRM practices on the employee job performance to be undertaken in different industries in Ghana. Nevertheless, this study was carried out University of Education, Winneba-Kumasi campus. The sample was restricted to those staff in the university which is a sub college of the University of Education Winneba and has the second largest staff concentration to the main campus. Also, although there are numerous HRM activities, this research could not cover the exhaustive list of HRM functions due to constraints such as time. Besides not all HRM functions can be initiated as practices (e.g. human resource planning). The research thus focused on recruitment and selection, compensation, career management, work-life balance and employee engagement. The chosen HRM practices are a mix of both fundamental and contemporary HRM practices which are vital to today's organization.

## **1.8 Organisation of the Study**

This study will be divided into five chapters. Chapter one is the introduction part. It considers the background, statement of the problem, objectives and research questions. It also looks at the significance, scope, limitations and the organisation of the study. Chapter Two focuses on literature reviews based on the research questions for this study. Chapter Three looks at the methodology used for the study. It explains the research design, population and sample, instrument and procedure that were used in collecting data for the study. Chapter Four presents the analysis and discussion of findings of the study according to the research questions. The final Chapter which is chapter Five presents the conclusion. This chapter contains discussions, conclusions and recommendations.

## **1.9 Research Methodology**

This study is an empirical study based on exploratory research design followed by causal study to find out the impact of HRM practices on employees performance in Public sector Institutions in Ghana. So, the population of the study includes employees of University of Education, Winneba- Kumasi Campus. The estimated sample was 160 employees. The researcher will use the convenience sampling technique for the selection of the respondents. A self-administered questionnaire will be applied to measure the impact of HRM practices on employee performance. The data will be tabulated and analyzed with the help of SPSS software. The secondary data will be collected from various documents, reports, articles, case studies, books, and internet and so on. The collected data will be analyzed keeping in mind the objective of the study.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter reviews previous works done by researchers in the field of HRM. What is known as literature review in research does not only provide knowledge on what has been done on an area of study but the strengths and weaknesses that could propel a meaningful and insightful study. This chapter casts more light on the concepts of HRM, various “Bundles” of Human Resources practices, contentions surrounding theories, models and previous findings. It ends with the HR practices that have been found to have greater effects on employee performance especially in education taking the case of COLTEK.

#### 2.1 The Concept of Human Resource Management (HRM)

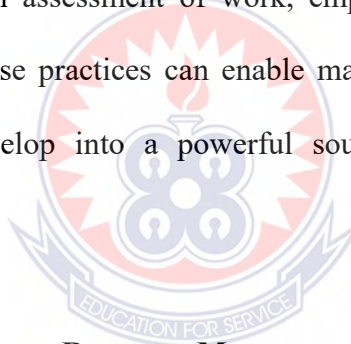
The concept of Human Resource Management was first defined by Bakke (1966) who said that the general type of activity in any function of management is to use resources effectively for an organisational objective. The function which is related to the understanding, maintenance, development, effective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

congruent with organisational strategy and further explained that there is a human resource cycle that consists of four generic processes or functions that are performed in all organisations; selection, appraisal, rewards and development. The Harvard framework is based on their belief the problems of historical personnel can only be solved when general managers develop a viewpoint of how they wish to see employees involved in and developed by the enterprise and of what HRM policies and practices may achieve those goals. Without either a central philosophy or a strategic vision which can be provided only by general managers – HRM is likely to remain a set of independent activities, each guided by its own practice tradition. This called for the need to have a long-term perspective in managing people and consideration of people as potential assets rather than merely a variable cost. As Armstrong (1987) puts it, HRM is regarded by some personnel managers as just a set of initials or old wine in new bottles. It could indeed be no more and no less than another name for personnel management, but as usually perceived, at least it has the virtue of emphasizing the virtue of treating people as a key resource, the management of which is the direct concern of top management as part of the strategic planning processes of the enterprise. Although there is nothing new in the idea, insufficient attention has been paid to it in many organisations. Thus HRM consists of the management activities related to investing in human resources: acquiring employees, assessing their performance, providing training and development, and determining the appropriate level and type of compensation.

In many medium-sized and large organizations, a functional specialist or department handles many HRM responsibilities. But regardless of whether the organization has a human resource manager or department, each manager is responsible for

assessing needs and for managing his or her own human resources—from interviewing and selecting job applicants to estimating future needs, appraising performance, identifying training needs, and keep employees who excel, because the organization’s competitive advantage is tied so closely to its human resources.

Human resource activities help organizations obtain and manage employees who have the ability and motivation for high performance. To ensure that the organization has employees with the needed abilities, HRM helps plan and implement strategies for acquiring and training human resources. To encourage employee motivation, HRM strategies assist in assessment of work, employee compensation, and labor relations. Combined, these practices can enable managers and their employees and their employees to develop into a powerful source of sustainable competitive advantage.



### **2.1.1 Importance of Human Resource Management**

When Cindy Koehler launched applied computer technology, a computer manufacturer based in fort Collins, Colorado, she staffed her business with three friends who had recently graduated from college. It seemed like a good idea because it was an easy way to get personnel and help out her friends at the same time. These employees fell short of Koehler’s expectation, however, and the friendships soured, too.” We didn’t define expectations,” Koehler explained later.” We didn’t realize there was anything more to managing employees than paying them. She now advocates, managers be more dedicated to managing their human resource, planning what they need from employees, communicating expectation, and

conducting formal performance reviews. Managers are increasingly realizing that the way organization manage their human resource directly affects their competitiveness.

Employees in today's organizations are not interchangeable part that easily replaced if they don't work as intended, but the source of the organization's success or failure. HRM is therefore gaining status as a key ingredient in organizations' strategies. Companies that try to become more competitive by investing in technology and quality programs also invest in the latest staffing, training, and compensation practices (Boateng, 2010).

## **2.2 Building Human Capital**

Today, more than ever, strategic decisions are related to human resource considerations. For example, in an information and knowledge-based economy, success depends on an organization's ability to manage human capital. Human capital refers to the economic value of the knowledge, experience, skill, and capabilities of employees.

To build human capital, HRM develops strategies for ensuring a workforce with superior knowledge and skills. This means recruiting to find the best talent, enhancing their skills and knowledge with training programs and opportunities for personal and professional development, and providing compensation and benefits that enhance the sharing of knowledge and appropriately reward people for their contributions to the organization. Human resource managers also help create an environment that gives highly talented people compelling reasons to stay with the



company. Judy Lyles of DET Distributing Company in Nashville Tennessee sees the human resource department not just as the keeper of the rules, but as the “keeper of workers’ hearts, the keeper of why they want to come to work every day” (Wah, 1998; Fey et al. 2000 as cited in Boateng, 2010).

### **2.3 Human Resource Management - A Distinct Source of Sustained**

#### **Competitive Advantage**

Recent theoretical work in business strategy has given a boost to the prominence of HRM in generating sustained competitive advantage. According to the resource based view of the firm (Barney, 1991) firms can develop a sustained competitive advantage only by creating value in a way that is rare and difficult for competitors to imitate. Although traditional sources of competitive advantage such as natural resources, technology, economies of scale, and so forth, create value, the resource based argument is that these sources are increasingly easy to imitate, especially in comparison to a complex social structure such as an employment system. If that is so, human resource strategies may be an especially important source of sustained competitive advantage (Lado & Wilson 1994; Pfeffer 1994; Wright & McMahan 1992). The concept of the HRM system as a strategic asset has implications for both the characteristics and effects of such a system. Strategic assets are “the set of difficult to trade and imitate, source, appropriable, and specialized resources and capabilities that bestow the firm’s competitive advantage” (Amit & Shoemaker, 1993).

Unlike capital investments, economic scale, or patents, a properly developed HRM system is an “invisible asset” (Itami, 1987) that creates value when it is so

embedded in the operational systems of an organization that it enhances the firm's capabilities. This interpretation is also consistent with emphasis on "core competencies" developed by Prahalad and Hamel (1990) who argued that conventional measures of economic rents such as the difference between the market and book value of assets reflect "core competence people embodied skills" (Hamel & Prahalad, 1994).

Why might it be especially difficult to imitate human resource strategies that are deeply embedded in an organization? Two of the key factors are casual ambiguity and path dependency (Barney, 1991; Collins & Montgomery, 1995). First, it is difficult to grasp the precise mechanisms by which the interplay human resource practices and policies generate value. To imitate a complex system, it is necessary to understand how the elements interact. Are the effects additive or multiplicative, or do they involve complex nonlinearities? Without being able to understand how a HRM system works, it is even difficult for a competing firm to imitate a valuable HRM system by hiring away one or a few top executives because the understanding of the system is an organizational capability that is spread across many (not just a few) people in the firm.

Second, these HRM systems are path dependent. They consist of policies that are developed over time and cannot be simply purchased in the market by competitors. A competitor can understand that a system is valuable but is precluded from immediate imitation by the time required to fully implement the strategy (assuming the system could be understood). Further, there may be limits on management's ability to successfully replicate socially complex elements such as culture and

interpersonal relationship.

## **2.4 Compensation and Incentive Policies**

Performance-based compensation is the dominant HR practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003). Evidently, performance-based compensation has a positive effect upon employee and organizational performance (Brown et al. 2003; Cardon & Stevens, 2004). However, there is scarce evidence on the effects of compensation policy of firm growth. Empirical studies on the relationship between performance-related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence suggests that it is not just pay level that matters, but pay structure as well (Wimbush 2005; Singh 2005).

Barringer et al. (2005) conducted a quantitative content analysis of the narrative descriptions of 50 rapid-growth firms and a comparison group of 50 slow-growth companies. Results demonstrated that employee incentives differentiated the rapid-growth from the slow-growth firms. Firms that were eager to achieve rapid-growth provided their employees financial incentives and stock options as part of their compensation packages. In doing so, firms managed to elicit high levels of performance from employees, provide employees the feeling that they have an ownership interest in the firm, attract and retain high-quality employees, and shift a portion of a firm's business risk to the employees.

Delery and Doty (1996) identified performance-based compensation as the single strongest predictor of firm performance. Both performance-based

compensation and merit-based promotion can be viewed as ingredients in organizational incentive systems that encourage individual performance and retention (Uen & Chien, 2004; Cho et al. 2005 as cited in Boateng, 2015). Collins and Clark (2003) studied 73 high-technology firms and showed that the relationships between the HR practices and firm performance (sales growth and stock growth) were mediated through their top managers' social networks. Cho et al. (2005) suggested that incentive plans is effective in decreasing turnover rates. Banker et al. (2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. Paul and Anantharaman (2003) found that compensation and incentives directly affect operational performance.

To be effective, compensation practices and policies must be aligned with organizational objectives. While performance-based compensation can motivate employees, sometimes employees perceive it as a management mechanism to control their behaviour (Lawler and Rhode, 1976). In such a case, employees are less loyal and committed, thus compensation plans have the opposite than desired outcome (Ahmad & Schroeder, 2003; Rodriguez & Ventura, 2003).

Employee turnover can significantly slow revenue growth, particularly in knowledge-intensive industries (Baron and Hannan, 2002). Given that much of the tacit knowledge resides within employees, significant turnover poses a threat to firm performance and its future growth potential. With high turnover rates, firm growth flees away along with leaving managers who often become employers of rival firms or establish themselves rival firms.

## **2.5 Theoretical Issues on Human Resource Management and Performance**

Theories on people management have been sifted, going through so many phases. From the perspectives of Taylorism, bureaucratic theory, theory X and theory Y till the breakthrough with Elton Mayo's Hawthorne experiment which began another phase of people management known as human relations. The era of personnel management surfaced which has metamorphosed into the present day Human Resource Management. Since then, HRM has captured the interest of many studies churning out loads and loads of findings that sometimes generate debates and disagreements.

### **2.5.1 Theories and Perspective of Human Resource Management**

There are several theories underpinning the practice of HRM. Two of these theories; Resource-based View and Ability and Motivation and Opportunity theories appear to be the most popular theoretical frameworks applied in the studies that link HRM and organisational performance. The Resource-Based View (RBV) theory which blends concepts from organisational economics (Penrose, 1959) and strategic management (Barney, 1991) has it that HRM delivers added value through the strategic development of the organisation's rare, valuable, imperfect to imitate and hard to substitute human resources.

The RBV establishes that competitive advantage no more lies in natural resources, technology or economies of scale, since these are easy to imitate but rather competitive advantage is dependent on the valuable, rare and costly and hard-to-imitate resources that reside with the human resources of an organisation. HRM's role is to ensure that the organization's human resources meet those criteria. The

Ability, Motivation and Opportunity (AMO) theory also argues that the formula;  $\text{Performance} = \text{Ability} + \text{Motivation} + \text{Opportunity}$  to participate provides the basis for developing HR systems that attend to employees' interests, namely their skill requirements, motivations and the quality of their job. (Appelbaum et al, 2000; Bailey et al, 2001; Boxall and Purcell, 2003) HRM practices therefore impact on individual performance leading to overall organisational performance if they encourage discretionary efforts, develop skills and provide with the opportunity to perform.

Adding to the array of concepts and theories is the term Human Capital which was originated by Schultz (1961). Human capital is the stock of competencies, knowledge, experience, social and personal attributes including creativity and innovation, embodied in the ability to perform work so as to produce economic value. Dess & Picken, (1999) assert human capital is generally understood to consist of the individual's capabilities, knowledge, skills and experience of the company's employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills and experience through individual learning. This theory is concerned with how people contribute their knowledge, skills and abilities to enhancing organisational capability and the significance of that contribution. This is rather broader in scope than human resources.

HRM practices refer to organisational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfilment of organisational goals (Schuler & Jackson, 1987; Schuler & MacMillan, 1984;

Wright & Snell, 1991). It was observed that majority of studies define HRM in terms of human resource practices or systems or bundles of practices. Divergent views exist on the nature of HRM. Several studies define HRM in terms of individual practices (Batt, 2002) or systems or bundles of practices (Capelli and Neumark, 2001). There appears to be no one fixed list of generally applicable HR practices or systems of practices that define human resource management. The question of how HRM impacts on organisational performance has ignited three perspectives.

The universalistic perspective (Boxall & Purcell, 2008) projects a bundle of high performance „best practices“ that should be adopted by organisations to yield organisational performance. this implies that business strategies and HRM policies are mutually independent in determining organisational performance (Katou & Budwar, 2007) The contingency perspective proposes that in order to be effective, an organisation’s HR policies must be consistent with other aspects of the organisation. Rather than adopting best practices, a fit must exist between HRM and business strategy (Schuler & Jackson, 1987; Dany et al, 2008). This is also described as “vertical fit”.

Boxall and Purcell (2003) argue that both perspectives; best practice and best fit might be right in each in their own way. However, the actual design of HR practice depends to some extent on the unique organisational context. The third which takes the contingency perspective a step further is the configurational perspective (Ulrich & Brockbank, 2005). This has a holistic approach that emphasises the importance of the pattern of HR practices and is concerned with how

this pattern of independent variables is related to the dependent variable of organisational performance. Configuration has been defined by Huczynski and Buchanan (2007) as “the structures, processes, relationships and boundaries through which an organisation operates”. All perspectives are relevant in exploring the linkage between HRM and performance. Delery and Doty (1996) examined the relationship between HR practices and profitability in a sample of banks in the US. They found that, in general, HR practices were positively related to profitability, in testing universalistic, contingency and configurational approaches to HRM.

Human resource management as a concept has frequently been described with two distinct forms; soft and hard. The soft models while stressing the importance of integrating HR policies with business objectives; emphasises on treating employees as valued assets and a source of competitive advantage through their commitment, adaptability and high quality skill and performance. Employees are proactive than passive inputs into productive processes, capable of development, worthy of trust and collaboration which is achieved through participation (Legge, 1995). This model in contrast to the hard model places emphasis on “human” and is associated with the human relations school of Herzberg and McGregor (Storey, 1987) The hard HRM model focuses on the qualitative, calculative and business-strategic aspects of managing the “headcount” has been termed human asset accounting (Storey, 1987). The hard HRM approach has some affinity with scientific management as people are reduced to passive objects that are not cherished as a whole but assessed on whether they possess the skills or attributes the organisation requires Legge, 1995; Vaughan, 1994; Storey, 1987; Drucker et al,



1996; Keenoy, 1990).

## **2.6 Human Resource Management Practices – Performance Linkage**

Over the years, researchers have devoted a great deal of time and attention to establishing and examining the linkage between HRM practices and organisational performance. Based on the evidence and findings, it is becoming increasingly clear that HRM is an important component that can impact on organisational effectiveness leading to improved performance. Though the link between HRM and organisational performance is considered a “black box”, that is, lack of clarity as to “what exactly leads to what” (Gerhart, 2005) however, the positive relationship between HRM and organisational performance cannot be over emphasised. Empirical research surrounding the HRM and performance debate over the last decade or so demonstrates evidence that “HRM does matter” (Huselid, 1995; Patterson et al, 1997; Guest et al, 2000a; Thompson, 2002; Purcell et al, 2003). Guest (1997) argues the distinctive feature of HRM is its assumption that improved performance is achieved through the people in the organisation.

The work produced by Huselid, 1995, that examined the relationship between HR practices and corporate turnover, profitability and market value found that his HR index was significantly related to the gross rate of return on assets (a measure of profitability) and Tobin’s Q (the ratio of the market value of a firm to its book value). This means that if appropriate HR policies, processes and strategies are introduced a substantial impact on organisational performance can be made. It is important to realise that the effectiveness of HRM policies depends on its alignment with other business strategies. Interestingly, Hyde et al (2008) examining the impact

of HRM practices on firm profitability found little support for a positive relationship between HRM practices and firm profitability.

Dyer and Reeves (1995) captured the performance outcomes of HRM in the following ways.

1. Financial outcomes; profits, sales markets
2. Organisational outcomes; productivity, quality, efficiency
3. HR related outcomes; attitudinal and behavioural effects on employees-satisfaction, commitment, employee turnover, absence.

As Armstrong asserts, the Holy Grail sought by many human resource management researchers is to establish that HRM practices demonstrably cause improvements in organisational performance. Studies show that certain HRM practices, such as working in teams, greater discretion and autonomy in the workplace and various employees' involvement and pay schemes motivate workers and increase productivity (Cully et al. 1999; Boselie and Wiele 2002). Cross functional teams, job rotation, quality circles and integration of functions may all contribute positively to labour productivity (Banker et al, 1996). Fey, C.F (2000) through an investigation of the relationship between HRM practices and the performance of 101 foreign-owned subsidiaries in Russia provides support for the assertion that investments in HRM practices can substantially help a firm to perform. In studies examining the relationship between HR practices and performance at the plant level, MacDuffie (1995) found that the HR practice „bundle“ he measured were related to quality and productivity on auto assembly lines; meanwhile, Youndt et al (1996) discovered that human capital enhancing HR practices were related to operational performance among a sample of manufacturing plants.

Guthrie (2012) examining the impact of HR practices on turnover and firm productivity among a sample of firms in New Zealand noted that HR practices had an impact on turnover and that the relationship between retention and productivity was positive when firms implemented high-involvement HR practices, but negative when they did not. Strengthening the evidence of a positive relationship between HRM practices and organisational performance is the research of Ahmad and Schroeder (2003) which concluded that, there is a positive influence of Human Resource Management practices (information sharing, extensive training, selective hiring, compensation and incentives, status differences, employment security and decentralisation and use of teams) on organisational performance as operational performance (quality, cost reduction, flexibility and commitment).

There has been the research into particular HRM practices out of the bundle that contribute significantly to organisational performance. Booselie et al. (2005) analysed 104 articles and established that the top four mostly investigated human resource management practices that have a positive impact on organisational performance are recruitment and selection, training and development, contingency and reward and performance management. In Sang's (2005) study involving 160 respondents of two manufacturing firms in Cambodia and Taiwan, it was asserted that a positive relationship exists between Human Resource Management practices; human resource planning, staffing, incentives, appraisal, training, teamwork, employee participation, status difference, and employment security on firm performance in areas of quality, cost, and production flexibility. According to Wang (2005) innovative firms treat HRM practices as the organisation's strategy to encourage team responsibilities, enhance organisational culture, and build up

customer relationships through participation and empowerment. Green, Wu, Whitten and Medlin (2006) accounted that organisations that vertically aligned and horizontally integrated HR function and practices performed better and produced more committed and satisfied HR function employees who exhibited improved individual and organisational performance.

It has been established that the adoption of certain bundles of HRM practices has the ability to positively influence firm performance by creating powerful connections or to detract from performance when certain combinations of practices are inadvertently placed in the mix (Wagar & Rondeau, 2006). Ngo et al (2008) examined SHRM practices in China to assess the impact of these practices on firm performance and employee relation climate and found that these have direct and positive effects on financial and operational performance and the employee relations climate. Khan (2010) conducted a study in Pakistan to investigate the effect of human resource management practices such as recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee relations on organisational performance (product cost, product quality, market share, performance relative to competitors and organisation's performance relative to industry average) and he found a significant positive relationship between these practices and firm performance in twenty oil and gas companies. In one study of one hundred respondents of Graphic Communications Group, Ghana, Boohene and Asuinura (2011) stressed that HRM practices, specifically, recruitment and selection, performance appraisal, compensation, and training and development have positive impact on organisational performance. For instance, performance appraisal increases employee commitment and satisfaction since employees are given

the chance to discuss their work performance against set targets.

In a recent study conducted by Soomro et al (2011) it was found that HRM practices (training, selection, career planning, employee participation, job definition, performance appraisal and compensation) correlated positively with the employee performance. Also affirming this is a study conducted by Nayaab et al (2011) whose result indicated that HRM practices like training, employee participation in decision making was found significantly related with their performance.

## **2.7 Human Resource Management Practices**

Many researchers over the period have identified different HRM practices by different names. Researchers variously refer to certain sets of HRM practices as “best practices” or high performance (Huselid, 1995) “sophisticated” (Golhar & Deshpande, 1997; Hornsby and Kuratko, 1990; Goss et al., 1994; Wagner, 1998) or as “professional” (Gnan & Songini, 2003; Matlay, 1999). Pfeffer (1998) argued the most appropriate term is “Best HRM practices”. However, according to Chandler and McEvoy (2000) one of the lingering questions in HRM research is whether or not there exists a single set of policies or practices that represents a universally superior approach to managing people. Theories on best practices suggest that universally, certain HRM practices either separately or in combination yield improved organisational performance.

A number of lists of „best practices“ have been produced and according to Guest (1999) these include: Selection and the careful use of selection tests to identify those with potential to make contribution; Training, and in particular a recognition

that training is an ongoing activity; Job design to ensure flexibility, commitment and motivation, including steps to ensure that employees have the responsibility and autonomy fully to use their knowledge and skills; Communication to ensure that a two-way process keeps everyone fully informed; Employee share ownership programmes to increase employees' awareness of the implications of their actions on the financial performance of the firm.

Redman and Mathews (1998) in a research also identified an HRM bundle of key practices that support services organisations. To them, these include;

1. Careful recruitment and selection, for example, “total quality recruitment”, “zero defects recruitment”, and “right first time recruitment”.
2. Training and learning
3. Extensive remuneration systems for example bonuses for staff willing to be multi- skilled
4. Team working and flexible job design
5. Employee involvement
6. Performance appraisal with links to contingent reward systems.

The 3cTER framework of HRM practices which was developed by Saxena and Tiwari (2009) through examining the HRM practices of leading IT companies like TATA, Infosys and Wipro in India identified culture building, career development, compensation and benefits, training and development, employer-employee relations and recognition through rewards as important HRM practices. Delery and Doty (1996) identified seven strategic HR practices that are related to overall organisational performance: The use of internal career ladders; Formal training systems; Results-oriented appraisal; Performance-based compensation;

Employment security; Employee voice; Broadly defined jobs.

However, the best known which was produced by Pfeffer (1998) named the following practices. These are: Selective hiring; Employment security; Self-managed teams; High compensation contingent on performance; Extensive training; Reduction in status differences; Sharing information.

In a notable research work carried out by Appelbaum et al, (2000) who investigated the links between high performance work systems and performance in a major study of 44 manufacturing sites in steel, apparel and medical equipment between 1995 and 1997; they identified three types of generic people management practices which they thought were critical to organisational performance. Placing more emphasis on recruitment, selection and learning, they opined that skill enhancing practices are important because changes in work organisation are only effective if employees have adequate skills to take up these opportunities. Motivation enhancing practices are critical because even if it is assumed that employees have the skill and opportunity, it is essential that they have the motivation in order to take up these opportunities. Finally, involvement enhancing practices are concerned with designing online work systems and offline involvement activities so that employees have the chance to become involved and participate in decision making.

There is a strong indication that the key to activating what is called the “People-Performance link lies not only in well-crafted” bundles of HR practices, but in their conjunction with a powerful and cohering organisational vision and corporate leadership together with front-line leadership’s action and use of discretionary

power. Previous studies have shown that implementing HRM practices is an important means through which favourable outcomes can be promoted; Guest (2002) as cited in Quansah (2013) argued that the effects of HRM practices on performance depends upon worker's response to HRM practices, so the impact will move in direction of the perception of HRM practices by the employee.

It has been proven that the presence of strong recruitment and selection practices, promotional opportunities, grievance resolution mechanisms, flexible benefit plans, employee responsibility, autonomy and team work were found to relate positively to organizational commitment while compensation cuts were negatively associated with organisational commitment (Caldwell, Chatman & O'Reilly, 1990; Fiorito, Bozeman, Young & Meurs, 2007; Gould-Williams & Davies, 2005; Heshizer, 1994). Also promoting organisational commitment is satisfaction with and perceived adequacy of career development, training opportunities and performance appraisal (Kuvaas, 2008). Research into the relationship between HRM and work engagement though scanty shows that job characteristics such as autonomy, task identity, skill variety, task significance, the job and feedback; job resources (feedback, social support and supervisory coaching); and organisational resources like autonomy, training and technology have a positive impact on work engagement (Salanova, Agut & Peiro, 2005; Schaufeli & Bakker, 2004; Saks and Rotman, 2006).

HRM practices are argued to initiate positive exchange relationships especially when managers are able to provide evidence of consideration and concern for needs of the individual worker (Gould-Williams, 2007). There seem to be no agreement on what constitutes HRM practices. Over the years, researchers have proposed various lists of



practices; however, there is no agreement on what or which qualifies as an aspect of HRM. It is worthy to note there are some practices that form the core of the various proposed lists of practices. Nine of these practices are selected for this study based on their significance in the literature reviewed, their impact and measurability.

### **2.7.1 Recruitment and Selection**

“Recruitment which is the process of generating a pool of capable people to apply for employment to an organisation and selection which is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s) given management goals and legal requirements” Bratton and Gold (2007,). Recruitment and selection can play a pivotal role in shaping an organisation’s effectiveness and performance, if organisations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities. Performance improvement is not only a result of well-functioning system but also depends on effective human resource strategies that succeed in recruiting and maintaining a committed and motivated workforce (Al-Ahmadi, 2009).

Recruitment and selection has become ever more important as organisations increasingly regard their workforce as a source of competitive advantage. It is often claimed that selection of workers occurs not just to replace departing employees or add to the number but rather aims to put in place workers who can perform at a higher level and demonstrate commitment (Ballantyne, 2009). This function of HR is

presented as a planned rational activity made up of certain sequentially-linked phases within a process of employee resourcing, which itself may be located within a wider HR management strategy. The process of recruiting and selecting may come in four stages: defining requirement, planning recruitment campaign, attracting candidates and selecting candidates (Armstrong, 2010).

### **2.7.2 Training and Development**

A formal definition of training and development is any attempt to improve current or future employee by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge. While training is seen to be the process of imparting specific skills, development is said to be the learning opportunities designed to help employees grow. According to (Armstrong 2001) training is the formal and systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience. Training has the distinct role in the achievement of an organisational goal by incorporating the interests of organisation and the workforce (Stone R J. Human Resource Management, 2002). For training to have a better effect on performance, its design and delivery should be well executed. Training remains a vital to enhancing employee performance. The organisational commitment or "the relative strength of an individual's identification and involvement in a particular organisation" (Pool & Pool, 2007,) depends on effective training and development programs.

According to these authors, organisations demonstrating keen insight make provisions for satisfying the training needs of their current workforce. Cheng and

Ho (2001) indicate that adequate training produces marked improvements in employee communication and proficiency of performances as well as extending retention time. Moreover, when programs target communication skills with co-workers, there are significant increases in profit as well as a greater number of reported positive working relationships that are formed. Also, training and education have been shown to have a significant positive effect on job involvement, job satisfaction, and organisational commitment (Karia & Asaari, 2006). Moreover, poor performance reviews due to inadequate job training can produce employee dissatisfaction and conflict.

### **2.7.3 Compensation**

Compensation processes are based on compensation philosophies and strategies contained in the form of policies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation. This constitutes measuring job values, designing and maintaining pay structure, paying for performance, competence and skill and providing employee benefit. However, compensation management is not just about money, it is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation (Bob, 2011). Compensation has a motivational effect and therefore implies that having a compensation structure in which the employees who perform better are paid more than the average performing employees is vital to enhancing organisational performance (Hewitt, 2009). The growing recognition and consensus that compensation promotes productivity is consistent with the early work of Peter Drucker (1956) that states “happy workers are productive workers”.

#### **2.7.4 Performance Appraisal Management**

Performance appraisal of employees is the systematic evaluation of employees' performance and potential for development during a certain period of time by supervisors or others who are familiar with their performance. It is one of the oldest and widely used management practices. Performance appraisal is an indispensable tool for an organisation because the information it provides is highly useful in decision making regarding issues such as promotion, merit increases transfer, discharge, training and development. Not only is performance appraisal useful for the above issues, it may also increase employee's commitment and satisfaction Wiese and Buckley, (1998). However, there has been a great realisation that it is more important to focus on defining, planning and managing performance than merely appraising performance Pareek and Rao, (2006). The increased competitive nature of the economy and rapid changes in the external environment has forced many organisations to shift from reactive performance appraisals to proactive performance management to boost productivity and improve organisational performance (Nayab, 2011). Prasad (2005) defines performance management as the process of planning performance, appraising performance, giving its feedback, and counselling an employee or teams to improve performance. As Armstrong (2006) put it, performance management is a systematic process for improving organisational performance by developing the performance of individual and teams. Performance management is one of the most important developments in the field of HRM probably propelled into visibility in the early 1980's as a result of the growing importance of total quality management.

### **2.7.5 Employment Security**

Studies by Delery and Doty (1996); Bjoorkman and Fey (2000) have emphasised the significant correlation between employment security and organisational performance. According to Pfeffer (1998) benefits of employment security, aside workers' free contribution of knowledge and their efforts to enhance productivity, it also encourages people to take a longer-term perspective on their jobs and organisational performance. In a study of the financial performance of 192 banks, John Delery and Harold Doty observed significant relationship between employment security and the bank's return on assets, an important measure of financial performance. Employment security maintained over time helps to build trust between people and their employer, which can lead to more cooperation, forbearance in pressing for wage increases and better spirit in the organisation. The idea of employment security does not mean that the organisation retains people who do not perform or work effectively with others; of course performance does matter. Employment security is fundamental to the implementation of most other high-performance management practices such as selective hiring, extensive training, information sharing and delegation. Companies are unlikely to invest the resources in the careful screening and training of new people if those people are not expected to be with the firm long enough for it to recoup these investments. Similarly, delegation of operating authority and the sharing of sensitive performance and strategic information requires trust and that trust is much more likely to emerge in a system of mutual, long-term commitments.

### **2.7.6 Employee Voice**

The direct participation of staff to help an organisation fulfil its mission and meet its objectives by applying their own ideas, expertise and efforts towards solving problems and making decisions is termed as employee involvement. Research has shown that organisations that tap the strength of their people will be stronger and more aggressive than those that cannot. Firms will never realise the full potential of employees if they regard people as automatons or mere cogs in a wheel. In the long run, such companies' inefficiencies attract competition, and unless the management philosophy changes, they will disappear (Apostolou, 2000).

So many studies have shown how much of an impact employee participation can have on the performance and well-being of an employee, team or the entire organisation: improved organisational decision-making capability, and reduced costs through elimination of waste and reduced product cycle times (Apostolou, 2000); improved attitude regarding work (Leana, Ahlbradt, & Murrel, 1992); empowerment, job satisfaction, creativity, commitment and motivation as well as intent to stay (Apostolou, 2000; Light, 2004); increased employee productivity across industries (Jones, Kalmi, & Kauhanen, 2010)

### **2.7.7 Information Sharing and Knowledge Management**

As Pfeffer (1998) asserts, information sharing is an essential component of high-performance work systems for two reasons; first, the sharing of information on things such as financial performance, strategy and operational measures conveys to the organisation's people that they are trusted and the second is that even motivated and trained people cannot contribute to enhancing organisational

performance if they do not have information on important dimensions of performance and in addition training on how to use and interpret that information. An enterprise that makes real a shared culture that is in actual fact unbreakable through information flow will be a competitive one. When the sharing of information is a vital component of the entire enterprise's culture, this can surely impact the effectiveness of the enterprise. When people work together, share ideas, and sometimes wrangle, they build on one another's ideas for the benefit of the enterprise.

The lack of communication and information sharing disrupts works and brings about enterprise mediocrity. In a study by Brian Hackett (2000) titled, "Beyond Knowledge Management: New Ways to Work and Learn," knowledge management is defined as, "An integrated, systematic approach to identifying, managing, and sharing all of an enterprise's information assets, including databases, documents, policies, and procedures, as well as previously unarticulated expertise and experience held by individual workers." In essence, it is gathering all the information and resources of a corporation and making them available to the individual employee. In turn, the employee uses these resources to create new innovative processes and thus, gives back to the firm.

### **2.7.8 Job Design**

Job design refers to work arrangement or rearrangement aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks. Through job design, organisations try to raise productivity levels by offering non- monetary rewards such as greater satisfaction from a sense of

personal achievement in meeting the increases challenge and responsibility of one's work. Job enlargement, job enrichment, job engineering, job rotation and job simplification are various techniques used in a job design exercise. Opatha (2002) "Job design is the functions of arranging task, duties and responsibilities in to an organisational unit of work".

The process of job design has been defined as, "specification of the contents, methods, and relationships of jobs in order to satisfy technological and organisational requirements as well as the social and personal requirements of the job holder." (Buchanan, 1979) It can also be the process of putting together various elements to form a job, bearing in mind organisational and individual worker requirements, as well as considerations of health, safety, and ergonomics. In this rapidly changing business environment, it is has become even more critical for jobs design to meet the requirement of challenging work. Changing technology, advanced communication, and changing organisational structures have all impacted job design. To be more responsive to the rapid pace of change, jobs must have some degree of built-in flexibility. This flexibility is achieved through careful attention to job design.

Job simplification standardises work procedures and employs people in clearly defined and highly specialised tasks. Job rotation and job enlargement were designed to take advantage of specialization of labour from the job engineering approach (Luthans, 2005). Job rotation allows an employee to work in different departments or jobs in an organisation to gain better insight in to operations. Job enlargement can be used to increase motivation by giving employees more



and varied task. Job enrichment is the technique which entails the inclusion of greater variety of work content, requiring a higher level of knowledge and skill, giving workers, autonomy and responsibility in terms of planning, directing, and controlling their own performance, and providing the opportunity for personal growth and meaningful work experience (Garg & Rastogi, 2006). A wealth of studies show that there exists a correlation between job design and performance Al-Ahmadi (2009) indicated that the nature of job itself was found positively correlated with performance, which indicates that satisfaction with amount of variety and challenge in one's job actually influence performance.

Job design gives a clear direction to how tasks are performed and this leads a positive change in job performance and analysis as a result of which the organisational productivity is enhanced through efficient work performance.

### **2.7.9 Career Planning**

Career planning is the deliberate process through which someone becomes aware of his or her personal skills, interests, knowledge, motivations, and other characteristics; acquires information about opportunities and choices; identifies career-related goals; and establishes action plans to attain specific goals (Dessler, 2008). According to Edgar Schein career planning (Manolescu, 2003) is a continuous process of discovery in which an individual slowly develops his own occupational concept as a result of skills or abilities, needs, motivations and aspirations of his own value system. In HRM, career planning seeks to identify to identify needs, aspirations and opportunities for individuals' career and the implementation of developing human resources programs to support that career. A well-planned career

development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance (Milkovich & Boudreau, 1998).

In a broader sense, career management which is defined by Mayo (1991) as the design and implementation of organisational processes that enable the careers to be planned and managed in a way that optimizes both the needs of the organisation and the preferences and capabilities of individuals has become one of the most important elements in HRM. Byars and Rue's (2000) explanation of career management is that, it is a joint-responsibility between individuals, organisation, and employees' immediate managers. Individuals' responsibility, which covers two main areas: preparing their own career plans and putting the plan into practice are termed as career planning and career strategies respectively. The organisation's and the immediate managers' responsibilities, if combined together would generate another dimension which is best named as organisational career management.

## **2.8 Employees and Organizational Performance**

Many researchers have different opinions of what performance should be. Organisational performance continues to be a contentious issue in the management research circles. Javier (2002) equates performance to the famous 3Es; economy, efficiency and effectiveness of a certain programme of activity. According to Richard et al (2009) organisational performance encompasses three specific areas of firm outcomes; financial performance (profits, return on assets, return on investment, etc), product market performance (sales, market share, etc), and shareholder return (total shareholder return, economic value added, etc.). Organisational performance is the organisation's ability to attain its goals by using

resources in an effective and efficient manner Daft (2000). We can put organisational performance as the actual output or results of an organisation as measured against its intended outputs, that is; goals and objectives. Performance should not be confused with productivity; according to Ricardo (2001), productivity is a ratio depicting the volume of work completed in a given amount of time. Performance is a broader indicator that could include productivity as well as quality, consistency, effectiveness, efficiency and other factors.

A study by Chien (2004) found that there were five major factors determining employees performance, namely: Leadership styles and environment; Job design; Organisational culture; Model of motive and; human resource policies. The concept of performance borders on both what has been achieved and how it has been achieved. Employees performance can be measured in a number of different ways. The most obvious way to measure what has been achieved and the approach used in many studies, is by reference to key performance indicators (KPIs) which are usually to do with financial results (profitability) or productivity. Measuring the “how” is more difficult. It has to rely extensively on qualitative assessments of organisational capability or effectiveness.

## **2.9 Challenges for Human Resource Management**

An emerging knowledge economy creates major challenges for HRM in the organisations. The major challenges that confront the HRM function in organizations in meeting their objectives are the following.

**Aligning HRM to Strategic priorities:** If HRM practitioners want to make an impact and help to drive the success, then they need to focus more on strategy- perhaps avoid addiction to delivery of training programs. They should seek to understand the need of the organization more in order to deliver a learning agenda that enables achievement of goals (Charles, 2006). A Strategic HRM as that development arising from a clear vision about people's ability and potential to provide competitive advantage to an organization (Ozcelik & Ferman 2006). It is employee development that arises out of the need to actualize the often heard statement by organizations that people are our greatest assets. Strategic HRM is driven by the organization's goals and operates within these goals to develop human capital and is thus a purposeful way of matching people to the organization. The central focus should be to expand the learning capability that can help generate the knowledge base of the organization and enhance both competitive and collaborative capability (Harrison & Kessels, 2004).

**Building knowledge-productive learning culture:** According to Harrison and Kessel (2004), the effectiveness of HRM Practices in contributing to culture change rests on its practitioners' alertness and responsiveness. To new needs in the workplace, on their ability to raise awareness of the importance of a culture of learning. That means, in practice for managers and other employees, and on their production of relevant interventions that can form part of culture's new context. To do this, they require a deep knowledge of culture, of its historical roots, and of its typical impact on workplace behaviors and performance.

**Developing managerial and leadership capability:** This is another basic challenge that the organizations face in meeting their desired goals. In knowledge economy managers and team leaders increasingly have to master strategizing, organizing and HRM processes relevant to innovative organizational forms (Harrison & Kassel, 2004). Hence, HRM professionals should design and help to implement management development strategies to build interacting types of core competences like: strategic capability, flexibility and learning orientation.

**Upholding Cultural Values and Norms:** If a developing country is to succeed in developing skills of its HR, in a way that serves its real and correct development needs most effectively, its plan must respect the cultural values and norms which people are strongly attached to (Habib, 2012). This will secure a stronger commitment on the part of those targeted by the development efforts than it would be the case otherwise. It is therefore essential that government administrations be careful when reviewing its development options, not to ignore the fact that the attitude and reaction of people toward its HRM plan (Wachira et al., 2012).

**Understanding of different needs and interests:** According to (Wachira, 2012) the best national HRM plan is one that is designed to best serve the special needs and interests of the country and its sectors. Hence, national HRM planning should be objective, providing means to eventually set the stage for achievement of priorities, goals, and interests that truly make a difference as far as the fate of the country and the well-being of its people are concerned (Habib, 2012). Therefore, planning is not a chance for planners only to show professional and skilful they are but also how ethical, realistic and precise their judgment and choices can be.

**Allocating sufficient financial resources and using it wisely:** Financial resources can only be available by a limited amount. But the amount must be adequate to achieve the goals of HRM. Also it is essential not to misuse the financial resources. In short, the failure to continue the HRM course of action after starting it must not be allowed. It is very important to be able to continue financing HRM at all times and regardless of volatile swings in financial budget levels (Habib, 2012).

**Developing comprehensive HR strategy:** As indicated by Wachira (2012), the best national HRM is one that is part of a comprehensive national HR strategy. Good national HR strategies begin with identifying national work needs and work requirements. Strategic planning is the best means through which selection can be made. Also effective HR strategy provides for HRM programs that invest in learning through training. According to Harrison and Kessel (2004), the identification of training needs and policy; and the details relating to training content, scope, and overall thrust should be entirely in the hands of those who will supervise its beneficiaries. Moreover, career broadening should be a prime focus in HRM programs in order to secure flexibility to quickly adapt to changes in the work environment. Therefore, effective HR strategy provides for effective HRM through competition among workers for career progression, effective performance review process for knowledge transfer and effective leadership.

**Utilizing HR assessment technology to plan HRM needs:** HR assessment technologies have developed to a very advanced stage now days. It can be beneficial, therefore, to initiate a particular HRM program that serves the national

HRM strategy through application of suitable HR assessment technology systems. Such systems are designed to assess the selection, appraisal and development and coaching of workers (Habib, 2012). These systems are best used in conjunction with a process whereby workers' experience, education, qualifications, competence and trainability can be assessed.

**Promoting positive work force attitudes toward HRM:** An attitude is a psychological stand of a person in relation to an issue. National HRM programs need to be designed with recognition that members of work force attitudes toward HRM constitute an essential factor for HRM success. As Wachira (2012), positive attitudes among members of the work force constitute a condition for absorbing the programs requirements; and that is important for smooth program execution. It is central that work force members realize their personal needs for change and improvement, and be conceived of the direct and clear link between these needs and the designed HRM programs (Habib, 2012).

**Accepting modern technological changes and developments:** As Wachira et al. (2012), technological advances are changing the way people doing things. Current requirements are for more professional and technical tasks and fewer activities. Therefore, national HRM programs need to be built on realization that flexibility, skills, and professionalism are essential requirements to face up to modern work challenges. Since the nature of most aspects of nowadays work requires a high level of skill and versatility HRM programs in developing countries should be committed to invest heavily in training and career development (Wachira, et al., 2012). To do this utilizing knowledge and experience accumulated locally,

intensifying training of the work force in up-to-date skills necessary for planned assignments, developing long-term career potential and creating a positive work environment which motivates and promotes productivity are crucial.

**Creating positive working environment:** According to Habib (2012) the creation of a positive work environment is an essential requirement in every organization to upgrade HRM. This ensures that workers have a strong sense of their value and contribution. It should encourage commitment on workers' part, increase retention, and facilitate mobility and versatility. Government organizations should promote national HRM practices indicative of their emphasis on creating positive work environment. As Swartz (2010), a positive work environment encourages, with caution, risk taking; allows for flexible work schedules and offers different options to employees.

**Sustaining the effort:** Human resource development is not one going effort. It is an ongoing process. Government organizations concerned with HRM should on an ongoing basis, review, discuss, and monitor the identification of changes in work force development and training needs (Habib, 2012).



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

Research methodology is a systematic way of solving a problem. It is essentially, the procedures followed by researchers for describing, explaining and predicting phenomena. It provides the work plan of a research. This chapter discusses the methods that were employed by the researcher in carrying out the study. Specifically, the research philosophy, research design, empirical model, target population and study area, sampling procedure, data collection, definition and measurement of variables, reliability and validity, ethical considerations, methods of data analysis and presentation are discussed.

#### 3.1 Research Design

This study followed an explanatory cross-sectional design. Explanatory study establishes causal relationships between variables. Thus, it attempts to clarify how and why there is a relationship between two or more aspects of a situation or phenomenon. According to Saunders, Lewis and Thornhill (2009), explanatory research is about studying a situation or a problem in order to explain the relationships between variables. Hence explanatory study design was used to determine and explain the relationship between the dependent variable - employee retention and independent variables - compensation, career management, and work- life balance and employee engagement. The research was cross-sectional or “snapshot” because the phenomenon, effect of HRM practices on retention was studied at one particular time and not over several years.

Quantitative techniques were also used for both data collection and analysis. Quantitative research is a study whose findings are mainly the product of statistical summary and analysis. A structured questionnaire was used to collect data from a large representative sample, so that the result can be applied to the entire population. Also, data was analysed using quantitative methods. This followed the hypothetico-deductive method where hypothesis was formulated based on a review of literature. Data was then collected from a sample of the population and analysed to confirm or disprove the hypotheses. The results were then used to draw inferences from the entire population.

### **3.2 Population of the Study**

The target population is the group of individual that possess the information required by the researcher and about which inference are to be made (Malhorta & Birks, 2017). The most important thing in defining the target population is the precise specification of who should and who should not be included in the sample (Churchill & Iacobucci, 2002; Malhorta & Birks, 2007). Based on the researcher's preliminary field work, a projected number of 140 employees in the university were targeted of which 115 were chosen for the study.

### **3.3 Sample and Sampling Techniques**

A sample is a small subset of population said to be representative of a given population (Quinlan, 2011). Sampling can be a vital procedure when analyzing data as it is a valid way of collecting data without using the entire population, in particular when both time and budget constraints exist for the researcher. 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. This becomes necessary as the entire population cannot be studied due to the size, inaccessibility, time and financial constraints.

The simple random technique was chosen in sampling all the 5 Deans in the University and the stratified random technique was used so that any employee could participate as a respondent. In using this technique 110 lower level employees were randomly selected for the study. This was done to ensure that all potential respondents has equal chances of been selected according to the initial groupings as defined by the researcher.

The study was undertaken in the College of Technology Education of UEW. In all the total sample of the target population were 115 employees. The table below shows the distribution of the non-managerial employees and associated employees which was made up of a sample of 110 which were chosen from different department using a stratified random sampling as indicated in table 3.1

**Table 3.1: The Projected Population and Sample Size of Non-Managerial and Associated Employees for the Study**

The population of the study was made up of non-managerial employees and associated employees.

<b>Departments</b>	<b>Projected employees</b>	<b>Projected sample size</b>
Central Administration	55	39
Administration Annex	13	6
Deans	5	5
Accounting	10	6
Technology	40	37
Information Technology	20	17
<b>Total</b>	<b>140</b>	<b>110</b>

Source: Field Survey June, 2016

The researcher decided to use all the Deans since they were only 5 that constituted the sample.

### **3.4 Data Collection Instrument**

Data was collected mainly from primary source. Questionnaires were employed for the collection of primary data from the selected employees in the chosen banks. The questionnaire was composed of four (A-D) different sections. Sections B consisted of questions relating to the independent variables namely compensation, career management, work-life balance and employee engagement. Section C focused on questions relating to the moderating variable, job satisfaction. Section D concentrated on the dependent variable, employee performance while section, A,

covered the socio-demographic characteristics of respondents. There were both close and some open ended questions however, most of the questions were stated in a five-point likert scale (strongly agree – strongly disagree)

### **3.4.1 Reliability and Validity**

Reliability and validity of the research instruments are of great importance in any research. Researchers are expected to properly consider them when designing and judging the quality of a study.

#### **Reliability**

Reliability refers to the degree to which measures are free from random error and therefore yield consistent results (Zikmund, 1997). According to Sekaran (2003) reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the goodness of the measure. Thus the extent to which any measurement procedure produces consistent results over time and an accurate representation of the total population under study is referred to as reliability. The research used Cronbach's Alpha as a measure of internal consistency. Cronbach's Alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003).

#### **Validity**

Validity on the other hand, can be described as the extent to which the instrument measures what it purports to measure. According to Healy and Perry (2000), validity determines whether the research truly measures that which it was intended to measure. Thus validity measures how truthful the research results are or

the extent to which scores truly reflect the underlying variable of interest. Faux (2010) asserts that an effective and practical approach to pre-testing questionnaire instruments is to ensure that the questionnaire is understood by participants. Also, the benefits of the approach are improved questionnaire reliability and planning which results in better response rates (Faux, 2010). After the design, the questionnaire was given to supervisors and experts for their comments and suggestions. This was done to ensure refinement and content validity.

Whilst testing validity with experienced researchers is crucial, it is also important to pre-test instruments on potential respondents. Hence a pre-test was carried out with two sub-metros (Subin and Swame Sub-metro) to firm up the data collection instruments before the main survey. The sub-metros in the pre-test were not included in the final sample. Feedback was used to improve the data collection instruments by eliminating any ambiguities and inadequate terms. The pre-test was used to enable the researcher to check the validity of the instrument of data collection. It enabled the researcher to assess the clarity of the questionnaire so that items found to be superfluous and misunderstood were modified to improve the quality of the research instrument, thereby increasing its strength and validity.

### **Ethical Considerations**

Ethics in research has to do with the responsibility of researchers to be honest and respectful to all individuals who are affected by the research studies or reports of the results of the studies (Gravetter & Forzano, 2006). Gaining the trust of respondents and their willingness to support the researcher's role is a step in the right direction, but it is the recognition of the relevance of ethical principles that

must guide any research (Orb, Eisenhauer & Wynaden, 2001). To ensure that ethical principles were upheld, the researcher obtained an introductory letter from the Department of Graduate Studies, University of Education, Winneba-Kumasi Campus. This letter was forwarded to the head offices of the office of the Mayor. This study upheld the highest ethical standards with regard to issues such as informed consent, confidentiality, privacy and anonymity. Participants were given the needed information and allowed to make an independent decision as to whether to partake or otherwise. Also information gathered was used solely for the intended purpose. Questionnaires were then self-administered by the sampled population.

### **3.5 Data Analysis**

Both descriptive and inferential statistical techniques were used to analyse the data. Descriptive statistics such as mean, percentages and standard deviation were employed to present the responses obtained from the respondents. Statistical Product and Service Solution (SPSS) (formerly known as Statistical Package for Social Sciences) version 20.0 was employed to further analyse the data. Also tables were used for data presentation. Arithmetic means was used to test the strength of the relationship between the variables

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.0 Introduction

This chapter presents information on primary data collected from respondents on HRM practices in the College of Technology Education, Kumasi. The data were processed and presented in tables, graphs and other statistical representations using SPSS version 20. Interpretations given were on processed data collected from the field that sought to establish the impact of HRM practices on employee performance.

#### 4.1 Demographic Characteristics of Non-Managerial Employees

Results of the table below gives detailed description of the demographic characteristics of the respondents used for the study. In Table 4.1 represents the gender of selected registrars and heads of department of the University for the Study. The table below shows that 65 respondents representing 59.1% are males and 45 respondent representing 40.9% are females. This clearly confirms the dominance of men in the various institutions in Ghana. Informal interviews the researcher had with some respondents revealed that women are not supported to rise to managerial positions because of the biological duty of childbearing and the tendency to truncate their career to make room for family-related responsibilities. Table 4.2 again gives the age range of the registrars and heads of department selected. The table shows 27 respondents representing 24.7% of respondents are between the ages of 18 – 30, while 47 respondents representing 42.7% are in the ages between the age 31-40, also 20% are in the range 41-50 and 14 representing 12.7% belong to the age range of 51 to 60. This indicates that most of the working class belongs to the mid-age and mature range of ages.



**Table 4.1 Demographic Characteristics of Non-Managerial Employees**

<b>Demographic Variables</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	65	59.1
	Female	45	40.9
<b>Age</b>	18-30	27	24.5
	31-40	47	42.7
	41-50	22	20.0
	51+	14	12.7
<b>Educational Qualification</b>	SSCE	0	0
	Diploma	3	2.7
	Degree	76	69.1
	Masters/MPhil	30	27.3
	Others(PhD)	1	0.9

Source: Field survey June, 2016

(Gender N=110, Age=110, Educational Qualification N=110, Position N=110 where N=Frequency).

Table 4.1 bears the highest level of education of the heads and registrars of the University. The Table shows clearly that 30 heads and registrars have at least a master or MPhil degree this represents 27.3%. This means that one would have to have a higher level of education to occupy a managerial position. 69.1% respondents have climbed higher to obtain a first degree and only 1 of the respondents PhD. This evidently shows that management of the University has appropriate level of education to their posts. All the 5 Deans were chosen for the study because the researcher considers their number to be manageable.

## 4.2 Human Resource Management Practices

The researcher sought to find out if the University has department designated for Human Resource Management Activities

**Table 4.2 Does the University have a department dedicated to human resource**

OPTION	FREQUENCY	VALID PERCENTAGE
YES	106	96.4
NO	4	3.6
<b>TOTAL</b>	<b>110</b>	<b>100</b>

Source: Field Survey June, 2016

Table 4.2 shows the existence or otherwise of HR departments in the University. 106 respondents representing 96.4% indicated that the University has a department dedicated to human resource. 4 respondents, representing 3.6% said that the University has no department dedicated to human resource. This means that most of the employees are of the existence of HR departments dedicated to the proper management of their human resources planning needs. Further investigations revealed that the 4 that said no were new in the University. The formulation, execution and management of HRM practices are left in the hands of the department designated for management of the Human Resource Needs of the University and this department is charged with the execution of HRM practices such as recruitment and selection, training and development, compensation and rewards, performance management amongst others.

Also a formal interview conducted for the 5 Deans to find out whether there exist HR department in the organization confirmed what most of the non-managerial employees asserted since all the Deans agreed.

**Table 4.3 Deans Responses on Execution and Management of HR practices**

		Frequency	Percentage (%)
Recruitment and selection	Centralized	5	100.0
Training and development	Centralized	4	80.0
	Decentralize	1	20.0
Compensation	Centralized	5	100.0
Performance Appraisal/Management	Centralized	4	80.0
	Decentralize	1	20.0
Employee participation	Centralized	3	60.0
	Decentralize	2	40.0
Career Planning	Centralized	5	100.0

Source: Field Survey June, 2016

Table 4.3 shows how some HR practices are executed and managed locally but mostly done at the main campus hence centralised. All the 5 Deans respondents indicated that recruitment and selection is a centralised activity. This means that it is carried out by top management at the main campus that is the University of Education, Winneba. The only role local heads have to play is to communicate and justify the need extra hands and the recruitment and selection are done for COLTEK. Although sometimes centralized managers solicit views from the college to take inputs from local heads of department as to what type of person to select, they do not play any direct and major role in the recruitment and selection process. This is far from what Ballantyne (2009) said that Recruitment and selection has

become ever more important as organisations increasingly regard their workforce as a source of competitive advantage. It is often claimed that selection of workers occurs not just to replace departing employees or add to the number but rather aims to put in place workers who can perform at a higher level and demonstrate commitment.

4 respondents representing 80% indicated the training and development is carried out at the main campus and by top management. Training programmes are drawn up by top management and resource persons are arranged for by the top managers. It is rare for a COLTEK to carry out training activities on its own. All training and development needs are consolidated and carried out by the top management at the head office. This is because of the nature and the formalized system by which training and development has to be done. This however buttresses what Armstrong (2001) posits that training is the formal and systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience. The organisational commitment or “the relative strength of an individual’s identification and involvement in a particular organisation” (Pool & Pool, 2007,) depends on effective training and development programs.

All the 5 Deans respondents representing 100% indicated that compensation as an HRM activity is carried out executed and managed at the main campus by top management made up of the council, Deans and their heads of department. Often, the registrar have oversight responsibility over the payroll management together with the accountant or finance officer. This is done because mostly in the public

sector is not based on performance which is also far from the notion of Hewitt (2009) that Compensation has a motivational effect and therefore implies that having a compensation structure in which the employees who perform better are paid more than the average performing employees is vital to enhancing organisational performance.

4 respondents representing 80.0% agree that all performance appraisal activities are decentralised and carried out by various departmental heads that play supervisory role to the appraised. 1 respondent representing 20.0% indicated and upon further enquiries explained that, performance management which is a new concept to almost all the employees is a centralised activity which is being experimented and therefore it is yet to be left in the hands of departmental Heads. It is a common practice that underperforming employees are transferred to the main campus for coaching or for reassignment. The above situation better buttresses theory of Wiese and Buckley (1998) that Performance appraisal is an indispensable tool for an organisation because the information it provides is highly useful in decision making regarding issues such as promotion, merit increases transfer, discharge, training and development and not only is performance appraisal useful for the above issues, it may also increase employee's commitment and satisfaction Wiese and Buckley, (1998).

Out of the 25 respondents, 2 representing 40.0% indicated that employee participation is a practice encouraged by heads at the various departments. 3 respondents representing 60.0% responded that this practice is decentralised in that employees only participate in work related decision making and take initiatives only at the behest of top management. This makes most employees dissatisfied about how they are treated as Apostolou (2000) have it that Firms will never realise the

full potential of employees if they regard people as automatons or mere cogs in a wheel. In the long run, such companies' inefficiencies attract competition, and unless the management philosophy changes, they will disappear.

**Table 4.3b Employee's Satisfaction on HR Practices**

Level	VS	S	BS	NS	x	Std.
Recruitment and Selection	27	28	35	20	2.75	0.44
Training and Development	25	30	42	13	0.70	0.32
Compensation	27	28	35	20	2.75	0.44
Appraisal/Management	25	30	42	13	0.70	0.32
Career Planning	19	31	42	18	0.98	2.07
Health and Safety needs	35	45	18	12	2.00	0.90

Source: Field Survey June, 2016

(VS- Very Satisfied, S- Satisfied, BS-Barely Satisfied, N- Not Satisfied)

Table 4.3b represents the item statistics of employee's satisfaction on HR practices. A mean of 2.75 shows that management agrees that Human Resource management is better and well managed in terms of recruitment and selection processes. Conversely employees do not see it as such and showing a mean score of 0.75 indicating that they not content with how HR practices are being managed in terms of Training and Development needs. This assertion was further concretised by the revelation that better HR packages are concentrated at the top level living employees

dissatisfied. Also employees seemed to be more satisfied with the compensation scheme since it had a mean score of 2.75 unlike appraisal or management system which is very low showing a mean score of 0.70. Career planning also showed a low mean score of 0.98 indicating that employees are not overly satisfied with the career planning system of the University. The University HR practices on Health and Safety is well accepted by their employees as it had a mean score of 2.0.

**Table 4.4 Employees Response on HRM Practices that has contributed to Employees and Organisational Performance**

Level	Frequency	Percentage
Training and Development	16	14.5
Compensation	13	11.8
Appraisal	13	11.8
Career Planning	9	8.2
Health and Safety needs	59	53.6
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Field Survey June, 2016

Table 4.4 shows HRM practices that have contributed to employee's performance in the views of the employees. It has been indicated by the employees that management has done better in terms Health and Safety needs of employees with little to be done in the other areas of HRM practices in the organization. As displayed in Table 4.3 16 respondents representing 14.5% were with the idea that Training and Development

were well done which is significantly low as compare to health and safety this is due to the fact that training and development barely happens in the organization. Again 13 respondents representing 11.8% believe that compensation packages have been useful in helping employees and the entire organization improve their performance.





**Table 4.5 Relationship between HRM Practices(s) and Employees Performance**

Table 4.5 gives performance linkage between HRM Practices and Employees Performance

RELATIONSHIPS	SA (%)	A (%)	U (%)	D (%)	SD (%)	X	Std.
Proper recruitment and selection process has direct bearing on employee's performance	62.0	36.0	0	2.0	0	2.53	0.57
Training and Development has correlation with employee performance	70.0	28.0	2.0	0	0	2.0	0.0
Good Compensation packages has direct impact on employees performance	42.0	46.0	3.0	7.0	2.0	1.25	0.60
Appraisal/Performance Management helps employees to improve on their performance in future	42.0	58.0	0	0	0	2.0	0.00
Good career planning programmes positively affects employee performance and increase productivity	46.0	50.0	1	0	3.0	1.39	0.78
Health and Safety Programmes impact positively on employees performance in your organization	61.0	37.0	2	0	0	2.10	0.23

Source: Field Survey June, 2016

(SA – Strongly Agree, A – Agree, U – Undecided, D – Disagree, SD – Strongly Disagree, X – Mean, Std. – Standard Deviation)

Table 4.5 shows that there is clear cut linkage between Human Resource Management practices and employees performance. On whether Proper recruitment and selection process has direct bearing on employee's performance it was evident that employees support this assertion as 98.0% of the respondents agreed and strongly agreed with a high mean score of 2.53. This buttresses the fact that recruitment and selection process is of significant importance to employees. Also on whether Training and Development has correlation with employee performance all the 65 valid employee respondents strongly agreed and agreed that it is undoubted to impact positively on employee's performance.

Again 48.0% and 42.0% respectively agreed and strongly agreed that good compensation packages has direct impact on employees performance with a marginal percentage of 10.0% refuting this assertion. This constitutes measuring job values, designing and maintaining pay structure, paying for performance, competence and skill and providing employee benefit. However, compensation management is not just about money, it is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation (Bob, 2011). Compensation has a motivational effect and therefore implies that having a compensation structure in which the employees who perform better are paid more than the average performing employees is vital to enhancing organisational performance (Hewitt, 2009).

58.0% of the employee's respondents agreed that appraisal/performance management helps employees to improve on their performance in future so was the idea of the other 42% who strongly agreed. 97.0% agreed and strongly agreed that good career planning programme positively affects employee performance and increase

productivity with a mean score of 1.39 as 3.0% strongly disagreed this indicates how employees value career planning programmes. This clearly agrees with what Milkovich and Boudreau (1998) posit that a well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance. Again in a broader sense, career management which is defined by Mayo (1991) as the design and implementation of organisational processes that enable the careers to be planned and managed in a way that optimizes both the needs of the organisation and the preferences and capabilities of individuals has become one of the most important elements in HRM.

Based on the evidence and findings, it is becoming increasingly clear that HRM is an important component that can impact on organisational effectiveness leading to improved performance. Though the link between HRM and employees performance is considered a “black box”, that is, lack of clarity as to “what exactly leads to what” (Gerhart, 2005) however, the positive relationship between “HRM and employees performance cannot be over emphasised. Empirical research surrounding the HRM and performance debate over the last decade or so demonstrates evidence that, HRM does matter” (Huselid, 1995; Patterson et al, 1997; Guest et al, 2000; Thompson, 2002; Purcell et al, 2003). Guest (1997) argues the distinctive feature of HRM is its assumption that improved performance is achieved through the people in the organisation. The work produced by Huselid, 1995, that examined the relationship between HR practices and corporate turnover, profitability and market value found that his HR index was significantly related to the gross rate of return on assets (a measure of profitability) and Tobin’s Q (the ratio

of the market value of a firm to its book value). This means that if appropriate HR policies, processes and strategies are introduced a substantial impact on employees performance can be made. It is important to realise that the effectiveness of HRM policies depends on its alignment with other business strategies

#### **4.6 Human Resource Management Implementation Challenges**

The researcher sought to investigate into the numerous challenges facing Human Resource management practice and its development in the organization. In assessing this, researcher only concentrated the findings from management respondents. This is shown in Table 4.5.1



**Table 4.6 Human Resource Management Implementation Challenges**

Table 4.6 presents the challenges associated with the implementation of Human Resource Management Practices.

Challenges hindering HRM practices in your Department	SD (%)	D (%)	U (%)	A (%)	SA (%)	$\bar{x}$	Std.
Aligning HRD to Strategic priorities	20.0	11.0	0	40.0	29.0	0.57	1.991
Building knowledge-productive learning culture	13.0	27.0	0	35.0	35.0	1.58	0.866
Developing managerial and leadership capability	0	18.0	0	42.0	40.0	1.50	0.437
Changes in National Economy	0	0	0	25.0	75.0	1.25	0.399
Understanding of different needs and interests	8.3	25.0	0	16.7	50.0	1.92	1.046
Allocating sufficient financial resources and using it wisely	0	25.0	0	9.0	66.0	1.58	0.869

Source: Field Survey June, 2016

Table 4.6 unambiguously outline some challenges that stifles better implementation of HRM programmes on the organization evidence from all the twenty management respondents. 20.0% of the management respondents strongly disagreed to the assertion that aligning HRD strategic priorities were a challenge. 11.0% also agreed and 69.0% agreed and strongly agreed that aligning Human Resource Development

strategic priorities in HRM was a challenge with a mean score of 0.570 as this is not far from what Harrison and Kessel (2004) argued that it is employee development that arises out of the need to actualize the often heard statement by organizations that people are our greatest assets.

Strategic HRM is driven by the organization's goals and operates within these goals to develop human capital and is thus a purposeful way of matching people to the organization. The central focus should be to expand the learning capability that can help generate the knowledge base of the organization and enhance both competitive and collaborative capability. A Strategic HRM as that development arising from a clear vision about people's ability and potential to provide competitive advantage to an organization (Ozcelik & Ferman 2006).

30.0% of the management respondents believe that building knowledge-productivity learning culture was not a challenge as they disagreed with this assertion. However 70.0% strongly agreed and agreed respectively that it was a major challenge with a mean score of 1.58. This significant number of agreement is in concert with Harrison and Kessel (2004), the effectiveness of HRM Practices in contributing to culture change rests on its practitioners' alertness and responsiveness. To new needs in the workplace, on their ability to raise awareness of the importance of a culture of learning. That means, in practice for managers and other employees, and on their production of relevant interventions that can form part of culture's new context.

In developing managerial and leadership capability 82.0% of the respondents agreed with the idea with only 18.0% of the 20 managerial respondents disagreeing. This in

effect buttresses the point this assertion “In knowledge economy managers and team leaders increasingly have to master strategizing, organizing and HRM processes relevant to innovative organizational forms (Harrison &Kassel, 2004)”. With changes in the National Economy all respondents respectively agreed and strongly agreed showing a mean score of 1.25. Understanding of different needs and interests 8.3% and 25.0% strongly disagreed and agreed respectively while 66.7% agreed with a mean score of 1.92. Wachira (2012), the best national HRM plan is one that is designed to best serve the special needs and interests of the country and its sectors. Hence, national HRM development planning should be objective, providing means to eventually set the stage for achievement of priorities, goals, and interests that truly make a difference as far as the fate of the country and the well-being of its people are concerned (Habib, 2012).

75.0% of the respondents agreed that allocating sufficient financial resources and using it wisely was a major set-back. Only 25.0% disagreed to this assertion. This however is in congruence with Habib (2012), It is very important to be able to continue financing HRM at all times and regardless of volatile swings in financial budget levels.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

The study examined the effects of Human Resource Management Practices on Employee Job Performance in University of Education Winneba, Kumasi. This chapter provides the summary of the findings of the study, conclusions drawn from findings and recommendations based on the findings. Conclusions drawn will be deduced from analysis and objectives set for the research. The area for further research was also suggested in this chapter. Responses from both managerial and non-managerial staff indicate similar and in some cases divergent views on the effect of Human Resource Management Practices on Employee Job Performance in University of Education Winneba, Kumasi.

#### 5.1 Summary of Findings

The following are the summary of research findings of the effect of Human Resource Management Practices of COLTEK.

##### 5.1.1 General HRM Practices of College of Technology Education (COLTEK)

###### Recruitment and Selection Practices

It is evident from the research findings that College of Technology Education, Kumasi of the University of Education makes recruitment from two sources; internal and external sources. Recruitment from external sources though very often is given little advertisement or none at all. These activities are centralised and Deans and registrars have little or no role to play in the recruitment and selection process of College of Technology Education, Kumasi.



### **Compensation (Pay) and Rewards as a motivating factor**

Managers claimed that as a practice, employees are rewarded based on performance, but the research proved otherwise. Pay for performance as an administrator or lecturer basically based on lecture attendance and less focus was placed on improved performance, is gradually seeping into the compensation and rewards practices of College of Technology Education, Kumasi.

### **Training and development**

Training and development programmes are meant to add value to employees and improve employee performance. However, this research revealed that training practices of College of Technology Education, Kumasi is relatively low. It is the practice of College of Technology Education, Kumasi to dedicate budgets to training and development of employees every year.

### **Performance Appraisal and Management**

Another important HR function is performance appraisal and management. The practice of appraising employees is common with College of Technology Education, Kumasi; at least it is a yearly affair with College of Technology Education, Kumasi. There is formal and written performance appraisal system which though appreciated does not provide employees with feedback and counselling. Appraisal has become just a formality and appraisal data is not usually used for promotion, job rotation, training, compensation, transfer and discharge in College of Technology Education, Kumasi.

### **5.1.2 Perceptions of Employees on HR Practices, Policies and Programmes of College of Technology Education, Kumasi**

The following are the general HRM practices in COLTEK

#### **Recruitment and Selection**

Employees do not strongly believe that their organization selection systems select those with desired knowledge, skills and attitude. This is because the process is plagued with nepotism, cronyism and favouritism which they feel derails professionalism. Employees believe that appointments in the College of Technology Education, Kumasi are based on merit. They also argue that it is better to recruit internally in order to motivate employees.

#### **Compensation (Pay) and Rewards**

It was found from the research that employees appreciate the effect of pay for performance on employee performance. Employees could not take a positive definite stand on whether their salaries are fair compared to others, whether they are satisfied with pay and other benefits received or if pay is linked directly to performance. They can however say that good job is not noticed and rewarded. Though employees could not state categorically that they appreciate rewards and recognition no matter how small, responses to this question received the highest mean.

#### **Training and Development**

One disturbing finding was that training needs are not discussed with employees of College of Technology Education, Kumasi and there seem not to be training strategies and coherent training programmes as indicated by the responses of both

employees and managers. The researcher can confidently say that “wholesale” training is more prevalent in College of Technology Education, Kumasi rather than need-specific training programmes. This is backed by employees’ non-agreement to whether extensive training programmes are provided for employees in all aspects and that employees are selected for training programmes that suit their job needs. Employees created the impression that training does not incorporate the interests of the organisation as well as the individual, training needs identified are not realistic, and useful, and are not based on business strategies. It is a top-drawer practice to dedicate budgets to training and development every year, but as to whether the monies allocated to these HRM programmes are fully used for its intended purposes, the researcher could not say.

### **Performance Appraisal and Management**

Most employees of College of Technology Education, Kumasi believe that performance appraisal is not fair in their organisations. Employees posited that performance appraisal of their organisations does not help to grow or develop their careers and no performance based feedback and counselling is provided to employees. Employees believe that this practice could be improved to measure objective, quantifiable results and male employees understand the objectives of the Organizations’ appraisal systems. To employees, performance management is in effect not practiced.

### **Career Planning**

This research found out that employees are unaware of career path in their organisations. This, they revealed is due to the fact that management does not delight

in matching organisational and individual growth needs. A thriving perception held by employees is that promotions are based more on favouritism rather than performance.

### **5.1.3 Impact of Properly Managed Human Resources on Employees**

#### **Performance**

Studies have extensively shown that the proper management of human resources through sound and effective HR practices, policies and programmes can positively improve employees performance. This research found nothing to the contrary. Should College of Technology Education, Kumasi resort to the proper management of their human resources without the central campus taking charge, a great impact would be made on performance this is because most heads a familiar with the inward challenges the external managers.

Recruitment and selection which is the first process any well-meaning organisation resorts to in acquiring human resources is fundamental to organisational performance. It was found from the research that when people with the desired skills, knowledge and attitudes are employed performance improves as a result of maintaining a committed, motivated and high performing workforce.

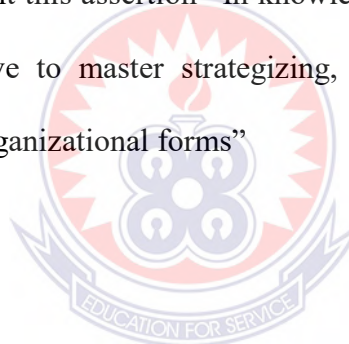
Training and development programmes even in the form of orientations, inductions and familiarisation activities also impact on organisational performance, the study found out. For training and development programmes to have a rewarding impact on organisational performance, its design and delivery should be well executed.

A finding of this study shows that employees' performance can greatly be improved if College of Technology Education, Kumasi could incorporate into human resource management functions the practice of job designing.

#### **5.1.4 Human Resource Management Implementation Challenges**

It was clear that management face a couple of challenges in aligning HRD strategic priorities as significant number of the respondents agreed and strongly agreed that aligning Human Resource Development strategic priorities in HRM was a challenge.

In developing managerial and leadership capability 82.0% of the respondents agreed with the idea with only 18.0% of the 20 managerial respondents disagreeing. This in effect buttresses the point this assertion "In knowledge economy managers and team leaders increasingly have to master strategizing, organizing and HRM processes relevant to innovative organizational forms"



#### **5.2 Conclusions**

The first research question was 'what is the relationship between HR practices and employee's performance'. The relationship between HR practices and employee's performance looks quite good yet there exists some inherent challenges. The challenges were cited from the findings as employee's seemed not to be satisfied with the existing practices. From the findings majority of the respondents believe that much can be done to improve the recruitment and selection process, Training and development, the appraisal system among others.

The second research question was 'what are the employees perception on HR practices'. It was seen from the findings that Employees have other perceptions on

the administration of Human Resource Management Practices as management seem to implement policies that are not favourable to employees. This was indicated in the administration of appraisal systems, career planning and recruitment and selection processes that exist in the University as significant number of the respondents supported the fact that much needs to be done to improve these HR practices. Seven HR practices, policies and programmes were laid bare before Deans and employees for critical scrutiny. This process produced results that indicated that College of Technology Education, Kumasi needed to pay much more attention to the proper management of their human resources in order to realize their full potential and create competitive advantage through them.

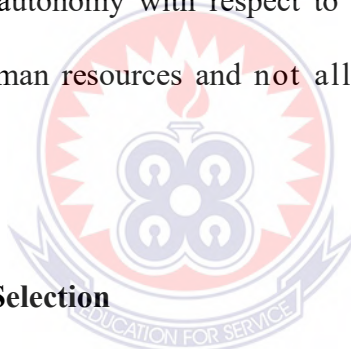
The third research question was 'Investigate into suitable Human Resource Management practices of educational institutions'. From the study it was seen from employee's responses that there seem not to be clear distinction between how HR practices in educational institutions differs from other sectors. From the findings it was shown that effective HR practices, policies and programmes in the University could positively improve employee's performance.

In a nutshell, this study has been conducted in College of Technology Education, Kumasi and concluded that the proper management of human resources has enormous impact on employee performance and can to a larger extent enhance organizational productivity. Deans of the University should start to incorporate HRM thinking into business strategies and make the HR function "strategically proactive" Brockbank (1999). The effective management of the human resources of University will create and sustain competitive advantage and improve employee's

performance. It is imperative for the College of Technology Education, Kumasi to ensure that investment in their human resources and HRM practices will attract and retain talented people. Therefore management must implement policies and strategies that will erode employees negative perceptions on HR practices.

### **5.3 Recommendations**

It was found that the University has a department dedicated to HR functions and other activities but have challenges in these key areas; selection and recruitment, training and development, compensation and reward and appraisal and management for this reasons it was recommended for the University to strive to attain some level of autonomy with respect to its HR practices to help proper management of their human resources and not all the time be manned by the central campus.



#### **5.3.1 Recruitment and Selection**

From all indications, the implementation and the management of human resources by Central Managers have damaging implications. It is recommended that HR expertise with the help of heads of department is made to carry out these activities so that people with the appropriate skills, attitudes and knowledge are hired and also involve Deans and other departmental heads to be involved in this process since they are mostly with the people. This will ensure employee commitment, professionalism and institutionalism in the activities of College of Technology Education, Kumasi.

### **5.3.2 Training and Development**

From employees responses that training and development falls short of their personal developmental standards. It is therefore recommended that there should be a coherent and strategic training and development that is planned to match both individual and organisational interests. To ensure that training needs identified is realistic and useful, the needs should be discussed with employees. "Wholesale" training programmes do not yield the desired results. Also, budgets for training and development should be solely dedicated to such purposes. To reap the full benefits of training and development programmes, adequate monitoring and management of performances of employees should be instituted by management.

### **5.3.3 Compensation and Rewards**

The research revealed that there is an overwhelming support for pay for performance from both employees and Deans. It is recommended that management should endeavour 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.

### **5.3.4 Appraisal and Performance Management**

It was found out from the study that performance appraisal is largely a formality and a yearly affair and when it does happen, feedback is neither properly nor regularly given to employees. Performance management on the other hand was non-existent. Research has shown the positive effect of 360 degree form of appraising in directly improving performance. This form of appraisal help employees to build their own self-awareness of their strengths, weaknesses and development needs. It is therefore



recommended that College of Technology Education, Kumasi adopts this form of appraising and encourage Deans and heads of department to give regular, constructive and descriptive feedback. Feedback should describe what employees are doing well, be clear about what they might improve or change and why.

For performance management to work, it is recommended that focus is directed on the results that the College of Technology Education, Kumasi are aiming to achieve and a recognition that the individual employees need to engage with those aims. Research has also shown that engaged staff are far more likely to be productive, committed and innovative than those that are not. Underperformance should be managed in such a way that it does not create tension and conflict or demoralise and discourage the employee from reforming.

Finally, performance improvement is not only a result of well-functioning system but also depends on effective human resource strategies that succeed in recruiting and maintaining a committed and motivated workforce (Al-Ahmadi, 2009). The research found that there is nothing like HR strategy let alone to talk of linking it with business strategy. It is imperative for College of Technology Education, Kumasi to go beyond the talk and paper work and get on executing these HR functions properly to bring the desired impact on organisational performance.

#### **5.4 Area for Further Study**

This research is limited to only four College of Technology Education, Kumasi in the Ashanti region. Further research conducted into the HR practices of all College of Technology Education, Kumasi in the Ashanti region of Ghana can enable better

generalisation of findings. Research can also be conducted into the effects of HR practices, policies and programmes on employee motivation, job satisfaction, organisational commitment and labour productivity.



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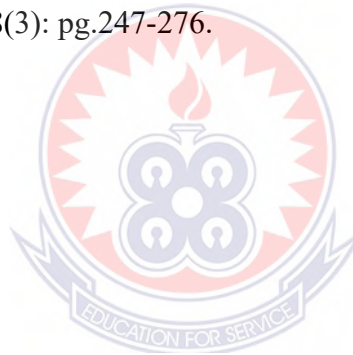
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**APPENDIX I**

**COLLEGE OF TECHNOLOGY EDUCATION, KUMASI**

**UNIVERSITY OF EDUCATION WINNEBA**

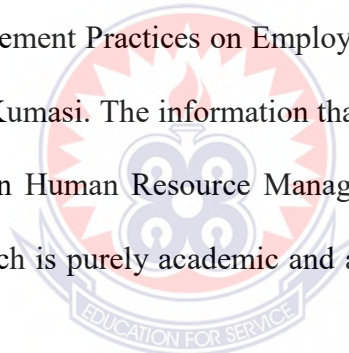
**DEPARTMENT OF MANAGEMENT STUDIES**

**MBA (HUMAN RESOURCE MANAGEMENT) PROGRAMME**

**QUESTIONNAIRE TOPIC: Assessing the Effects of Human Resource Management (HRM) Practices on Employee Job Performance: A Study of University of Education Winneba, Kumasi**

**Questionnaire for Staff of University of Education Winneba, Kumasi**

This questionnaire is being used as a tool for collecting information on the effect of Human Resource Management Practices on Employee Job Performance in University of Education Winneba, Kumasi. The information that would be obtained shall be used to assess whether certain Human Resource Management Practices affect Employee Performance. The research is purely academic and any information provided shall be treated as confidential.



Please tick (√) in the appropriate box.

**A. DERMOGRAPHIC CHARACTERISTICS OF RESPONDANTS**

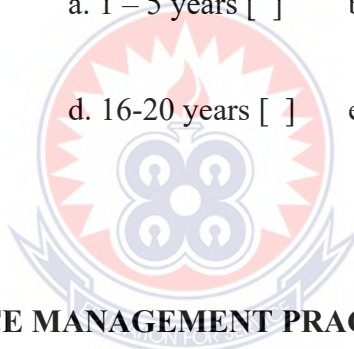
1. Gender                      a. Male [ ]      b. Female [ ]
  
2. Age Group                      a. 18 – 30 Years [ ]      b. 31 – 40 Years [ ]  
  
    c. 41-50 Years [ ]      d. 51-60 Years [ ]
  
3. Marital Status                      a. Single [ ]      b. Married [ ]

4. Educational Level a. JHS/JSS [ ] b. Secondary [ ] c. Diploma [ ]  
d. Degree [ ] e. Master's Degree [ ] f. Others .....

5. Division/Section

- a. Human Resource [ ] b. Finance [ ]  
c. Public Relations [ ] d. Operations [ ]  
e. Information Technology [ ] g. Academic affairs [ ]  
h. Procurement [ ]

6. Number of years spent a. 1 – 5 years [ ] b. 6-10 years [ ]  
c. 11-15 years [ ] d. 16-20 years [ ] e. 21 and above [ ]



**B. HUMAN RESOURCE MANAGEMENT PRACTICES IN THE ORGANIZATION**

7. Does the organization have a department dedicated to Human Resource?

- a. Yes [ ] b. No [ ]

8. What are the Human Resource Management practices in your Organization?

(Answers may be multiple)

- a. Recruitment and Selection [ ] b. Training and Development [ ]  
c. Compensation [ ] e. Appraisal/Performance Management [ ]  
f. Career Planning [ ] g. Health and Safety Program [ ]

If others, please specify.....

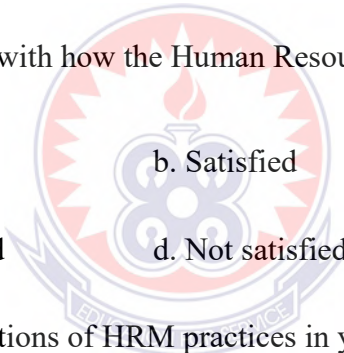
9. How does the organization execute, plan and manage the following HR practices;

Centralized (C) OR b. Decentralised (D)

- |    |                                  |     |     |
|----|----------------------------------|-----|-----|
| a. | Recruitment and Selection        | [C] | [D] |
| b. | Training and Development         | [C] | [D] |
| c. | Compensation                     | [C] | [D] |
| e. | Appraisal/Performance Management | [C] | [D] |
| f. | Career Planning                  | [C] | [D] |
| g. | Health and Safety Program        | [C] | [D] |

10. Are you satisfied with how the Human Resource Practices are being managed?

- |                     |                  |
|---------------------|------------------|
| a. Very Satisfied   | b. Satisfied     |
| c. Barely Satisfied | d. Not satisfied |



11. What are your perceptions of HRM practices in your organization?

- |                 |                      |
|-----------------|----------------------|
| a. Unattractive | b. Barely Attractive |
| c. Attractive   | c. Very Attractive   |

12. Over the years, which HRM Practice(s) has contributed most to employees' performance and Organizational performance as a whole? a. Recruitment and selection [ ] b. Training and Development [ ] c. Compensation [ ] d. Appraisal e. Career Planning [ ] e. Health and Safety needs [ ]

If other, please specify.....



13. In your opinion which HRM Practice(s) do you think Management should put more emphasis on?

a. Recruitment and selection [ ] b. Training and Development [ ]

c. Compensation [ ] d. Appraisal e. Career Planning [ ] e. Health and Safety needs

If other, Please specify.....

14. In Relation to question 13, do you think the HRM Practice(s) has been administered effectively over the previous years? a. Yes [ ] b. No [ ]



### C. RELATIONSHIP BETWEEN HRM PRACTICES(S) AND EMPLOYEES PERFORMANCE

While you fill up this part of the questionnaire, please ensure that you are consulting the under-mentioned point scale to respond to every question. It will help you to select the most realistic option. Strongly Disagree = SD; Disagree = D; Neutral = N; Strongly Agree = SA ; Agree = A

S/N	RELATIONSHIP	SD	D	N	A	SA
1	Proper recruitment and selection process has direct bearing on employees performance.					
2	Training and Development has correlation with employee performance					
3	Good Compensation packages has direct impact on employees performance					
4	Appraisal/Performance Management helps employees to improve on their performance in future					
5	Good career planning programme positively affects employee performance and increase productivity					
6	Health and Safety Programme impact positively impacts employees performance in your organization					

**D. HUMAN RESOURCE MANAGEMENT IMPLEMENTATION****CHALLENGES**

While you fill up this part of the questionnaire, please ensure that you consult the under-mentioned scales to respond to every question. It will help you to select the most realistic option. Strongly Disagree = SD; Disagree = D; Neutral = N; Strongly Agree = SA ; Agree = A

15

Challenges hindering HRM practices in your Department	SD	D	A	SA
Aligning HRD to Strategic priorities				
Building knowledge-productive learning culture				
Developing managerial and leadership capability				
Changes in National Economy				
Understanding of different needs and interests				
Allocating sufficient financial resources and using it wisely				

16. What do you think is the highest consequence your department faces in relation to the challenges of the HRM Practices?

Effects of the challenges in Question 15 that your department faces	Tick (√)				
High employee turnover					
Low productivity					
Poor employee performance					
Low employee satisfaction					

**THANK YOU.**



## **APPENDIX II**

### **COLLEGE OF TECHNOLOGY EDUCATION, KUMASI**

#### **UNIVERSITY OF EDUCATION WINNEBA**

This interview guide is meant to solicit information on the research topic: Effects of Human Resource Management (HRM) Practices on Employee Job Performance: A Study of University of Education Winneba, Kumasi. I will be very grateful if you could devote a few minutes of your time to answer the questions below. I wish to state that your anonymity and confidentiality is highly guaranteed. Thank you for your co-operation.

#### **Interview Guide for Management only**

##### **SECTION A**

##### **Scope of Human Resource Management Practices**

1. Do you have an idea of Human Resource Management practices?
2. Do you think there is an effective HR Policy in your organization?
3. How is it practiced in this organization?

##### **SECTION B**

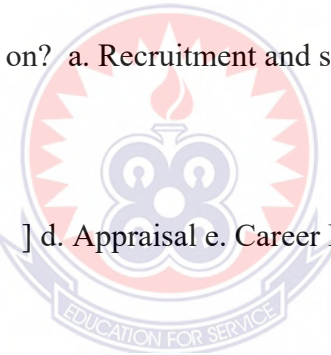
##### **Human Resource Management Practices in the Organization**

1. Does the organization have a have a department dedicated to Human Resource  
a. Yes [ ]                      b. No [ ]

2. Which of the following Human Resource Management practices is used in your organization?
- a. Recruitment and Selection [ ]
  - b. Training and Development [ ]
  - c. Compensation [ ]
  - d. Appraisal/Performance Management [ ]
  - e. Career Planning for employees [ ]
  - f. Health and Safety Programme [ ]

If others specify .....

3. In your opinion which HRM Practice(s) do you think Management should put more emphasis on?
- a. Recruitment and selection [ ]
  - b. Training and Development [ ]
  - c. Compensation [ ]
  - d. Appraisal [ ]
  - e. Career Planning [ ]
  - f. Health and Safety needs



If other, Please specify.....

- 4. How do your employees perceive HRM practices, policies and Programmes?
- 5. What HRM practices would be suitable to your institution?
- 6. What are some of the Human Resource Implementation challenges?
- 7. What has management done to resolve these challenges?