

Research article



INVESTIGATING THE EFFECTS AND CONTRIBUTIONS OF STRATEGIC HUMAN RESOURCE MANAGEMENT ON ORGANISATIONAL PERFORMANCE EVIDENCE FROM ZENITH BANK PLC WARRI DELTA STATE

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ABSTRACT

This paper seeks to investigate the effects and contributions of strategic human resource management on organizational performance. This study is considered beneficial because the effective impact and contribution of SHRM could enable banks or organizations to improve their products, services and customer satisfaction using the primary and secondary methods of inquiry, the researcher collected the data from Zenith bank Warri Delta. The study adopted a simple random sampling technique to give a true position of the phenomenon under investigation. The findings of the study suggest that banks in Warri Delta state acknowledge the importance of strategic human resource management by a high percentage.

Keywords: Forecasting, Business objectives, HR programme, Training HR reviews, Planning, Evaluation, Education, HR capacity, Promotion

Introduction

Strategic human resource management is an approach used in managing employment relation which emphasizes that employee capability is to gain sustainable competitive advantage which can be achieved through a distinctive set of integrated employment policies, Programmes and practices (Bratton & Gold, 2013). The actual capital of the organization is the human abilities to utilize the human beings as a resource. It has been observed human resource personnel are inadequate in most organizations especially organizations who have adequate capital resources to commence business but lack professional bodies to use them at the right time and place. Human Resource is a strategic partner of the business which runs with the business and takes the business towards success achievement.

The competitive market has led to new challenges for organizations that do not have enough labour force. Most business doesn't have the ability to compete with national and international rivals, resulting to decrease in economic success. According to (Tomaka, 2011) employees of various organizations had issues relating to increase in competition between their organizations and others leading to low technological advancement, scientific changes, workforce, demography and wider utilization of information technologies. Human resource

managers should understand all kinds of strategies to entice employees and customers and should be able to develop suitable strategies in order to help the organizations.

Strategic human resource management is vital for any organization to achieve its goals and objectives (Schuler, 2010 and Barney, 2011). According to Schuler (2010), Strategic Human Resource Management shows the importance of the resource personnel in training employees, he added that managers should try to show the relationship between human resource management and organizational performance and success. As observed by Tomaka (2011), Human Resource Management increasingly being used to recognize the importance of employees as a corporate assets. Employees must therefore have a wide variety of technical and interpersonal workplace skills and competencies that allow them to work with advanced technologies and functions optimally in today's high performing organizations (Fernandez, 2011). Combs, (2016) pointed out that the skills; knowledge and experience of the employees are of economic values for the organization because the employees enable the organizations to be productive.

Statement of the Problem: In recent times, most organizations Human Resource Personnel due to inability to employ qualified staff to manage the organization effectively. This has created serious problems to the effective management of establishments, firms and companies. Despite these issues arising no strategies are put in place by the management of the organization to address such problems arising from shortage of human resource personnel to handle the company effectively and provide incentives employees to enhance employee performance and organizational productivity.

Strategic management to a large extent affects Nigerian organizations in a positive and negative manner. It is therefore the responsibility of the organizations to plan its strategies effectively in order to make profit. It is quite obvious these days that there frequent cases of limited strategies in organizations which is a thing of the past but has become common in this modern era where competition in the private sector has become the order of the day. Organizations that are able to cope with the competition and dynamics of prevailing will survive.

It is only through poor strategic management of organizations that threats and challenges presented by complexities creep into the company or organization. If the business environment can be checked and the nature of the business is considered, there will be an improvement in Nigerian organizations or banks. However, the frequency of the fiscal and monetary policies will affect the banking sector and organizational performance if there is poor strategic management. Today, organizations have been facing distress due to the inability of the management to put in place strategies to solidify the position of the organization (Lam and White, 2018). In view of the above several problems have emanated which have threatened the existence of several banks and organizations. Some of these problems are as follows: liquidity problem, frequent changes of top management, fall of profits of the organization and frequent changes of management policies. Furthermore, most organizations (especially the banking sector) plan their strategies on the needs of their customers at a profitable return.

Objectives of the Study: The main objectives of this study are to investigate the effects and contributions of strategic human resource management on organizational performance in deposits money banks (with special emphases on Zenith Plc). The following specific objectives will be achieved:

- 1) To verify the effects of strategic human resource management on the growth organization.
- 2) To find out the problems militating against strategic management planning.
- 3) To find out if strategic management enhances the growth of organizations.

Research Hypothesis

Ho: Strategic human resource management does not have any significant difference on organizational performance performance and growth of employees in Zenith Bank Plc Warri Delta State.

H1: Strategic human resource management has a significant difference on organizational performance and growth of employees in Zenith Bank Plc Warri Delta State.

Significance of the Study: This study will add to the existing body of knowledge, will also create awareness to the general public especially deposits money banks to see the extent to which improving infrastructure facilities (such as power/electricity supply, quality computer gadgets) in organizations is necessary for organizations to meet their potential efficiency, effectiveness and high profitability aimed at realizing the overall objectives, mission, vision, goal and services.

This study will help Zenith Bank Plc in decision making against controllable and uncontrollable government policies.

This study will serve as a reference material to scholars and students that will embark on a similar research topic in the future.

Literature Review

Concept of Strategic Management: David (2010), adopts the concept in determining the relationship between level of competition and adoption on organizational performance. Organizational performance is described as an organizational ability to acquire and utilize its scarce resources and valuables as possible in the pursuit of its operational goals. (Kiesien and Sprawl, (2010) lay out that culture has impact on organizational performance, organizations that have realized and comprehend its importance completely added values to their employees and incentives of knowledge sharing and creating an atmosphere which is beneficial for successful knowledge management system design. The analytical evaluation factors in the implementation of knowledge management system to succeed and have cited numerous proceeding researched which approved that knowledge friendly culture should be developed or established in order to acquire successful implementation of management. (Sangoanya, 2010) identified ten key factors and variables that influences most business failure in Nigeria this includes disaster, inefficiency in power supply, competition, infrastructures, taxes, accounting management, marketing, economic planning and finance.

Strategic Human Resource Management: Strategic human resource management can be defined as the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that foster innovation, flexibility and competitive advantage. In an organization SHRM means accepting and involving the HR functions as a strategic partner in the formulation and implementation of the company's strategies through HR activities such as recruiting, selecting, training and rewarding personnel (Sanosanya, 2010).

Strategic human resource management is a branch of human resource management. It is a fairly new field, which has emerged out of the parent discipline of human resource management. Much of the early or so called traditional HRM literature treated the notion of strategy superficially, rather than as a purely operational matter, the results of which cascade down throughout the organization. There was a kind of unsaid division of territory between people _ centered values of HR and harder business values where corporate strategies really belong. HR practioners felt uncomfortable in the war cabinet like atmosphere where corporate strategies were formulated (Pfeffer, 2014).

Strategic human resource management is the connection between a company's human resources and its strategies, objectives and goals. The aim of strategic human resource management is to innovate, flexibility, advance and competitive advantage. Develop a fit for purpose of the organizational culture. The best way to understand strategic human resource management is by comparing it to human resource management. HRM focuses on recruiting and hiring the best employees and providing them with the compensation, benefits, training and development they need to be successful within an organization. While Strategic human resource management SHRM takes these responsibilities one step further by aligning them with the goals of other departments and overall organizational goals. HR department that practices strategic management also ensure that all of their objectives are aligned with the mission, vision, values and goals of the organization of which they are part of.

Strategic Performance Management: The appraisal system refers to the tool used to evaluate how the employees and organization have performed against the overall objectives and goals of the organization (Analoui, 2017) the process aim to improve individual's efficiency and effectiveness by providing a feedback loop and the organization can realize the result of the entire range of strategic human resource management activities such as decision on employees working conditions, Promotion, termination and rewards (Bohlander and Snell, 2007). Gomez_mejia et al, (2004) noted that appraisal is part of the performance management system need to be focused on improving employee's performance both to benefit employees and organizations.

Strategic Reward: A reward system is what an employer offers in exchange for an employee's contributions and are designed to align with organizational objectives and individual expectations. They aim is to attract, retain and motivate the workforce. Strategic reward is defined as the deliberate utilization of the pay system as an essential integration mechanism through which the efforts of various sub units and individuals is directed towards the achievement of organizational strategic objectives. The strategic objectives remuneration are to reward past performance, remained competitive in the labour market, motivate future performance, attract and retain good staff and reduce turnover Nanervis, Compton and McCarthy, (2019).

Theoretical Framework: This study is hinged on Abraham Maslow theory. This theory was adopted in explaining the effects and contributions of strategic human resource management on organizational performance in deposit money bank in Warri Delta State.

Abraham Maslow therefore identified five levels of human needs in which he state into the following;

- 1) **Physiological or Basic Need:** These are the physical requirements for human survival, if these requirements are not met the human body cannot function properly and will ultimately fail. Physiological need though to be the most important and which food, air, water are, clothing and shelter all are meant for human survival and animals too.
- 2) **Security or Safety Need:** Once a person's physiological needs are relatively satisfied, their satisfied needs take precedence and dominate behaviour. In the absence of physical safety due to war, natural disasters, family violence, childhood abuse etc people may re_experience post traumatic stress disorder or trans_general truma. In the absence of economic safety due to economic crisis and lack of work opportunities these safety needs manifest themselves in ways such as a preference for job security, grievance procedures for protecting the individual from unrelated authorities.
- 3) **Belonging or Affection Needs:** This is the interpersonal behavior which involves teaching of belonging. Everyone in various degree which to give and receive friendship, companionship and association with others for recreational purposes example of this needs is people may join with other people partly to satisfy affection need and partly for greater security.
- 4) **Esteem or Ego Needs:** This includes the need to become independent, to receive the esteem of others, to dominate and acquire possessions. As it possible for this need of this kind to be satisfied through social activities and to be respected.
- 5) **Self _ Actualization Need:** Self-actualization needs is the highest level in Maslow's hierarchy, and refer to the realization of a person's potential, self-fulfillment, seeking personal growth and peak experiences. Maslow (1943) describes this level as the desire to accomplish everything that one can, to become the most that one can be.

Research Methodology

This study was carried out in Warr Delta State. Warri was choosn for the study because Warri is a metropolitan area. The study adopts simple random sampling, descriptive and correlation design. The researcher used this approach in order to describe and investigate the effects and contributions of strategic human resource management on organizational performance in deposits money banks (Zenith Bank Plc) using the information

gained from the questionnaire. The correlation design used to establish the relationship between the dependent and independent variables through quantifiable results.

Population of the Study: The total population of Zenith Bank Plc staff in Warri Delta State is 3,550 and targeted population for the study was 100 from selected organizations includes managerial and non managerial staff. The researcher use simple random sampling to target some respondents. The population of the study is the junior and senior staff working in Zenith Bank Plc, the sample size was 100 respondents of male and female in the bank.

Sample Size: The researcher calculated the sample size using Taro Yamani (1967) as: $n = \frac{N}{1 + Na^2}$

Where:

n=sample size

N=population size

a= is level of significance

Therefore, let the $\alpha = 0.05$ and $N = 408$ then our acquired sample size is 100.

The study adopted simple random sampling techniques in selecting the sample from the targeted population (408). The sample consist of (n=100) respondents in Warri.

DATA PRESENTATION AND ANALYSIS

Hypothesis one: There is no significant difference in the strategic human resource management and organizational performance on growth of employees in Zenith Warri Delta State.

S/N	Item Statement	Mean	SD	t_cal	df	Sig	Dec
1	Strategic management enhances organizational growth	1.96	0.63	3.21	85	0.02	S
2	Mechanism for strategic management can affect the total operation of Zenith Bank Plc	2.25	1.20	2.59	85	0.02	S
3	Poor management on Zenith Bank Plc productivity and operation management	2.02	1.18	3.09	85	0.04	S
4	Strategic management affect the growth of the	1.65	0.57	3.24	85	0.01	S

	organization						
5	There are problems militating against strategic management planning	1.98	0.77	2.51	85	0.01	S
6	Management of Zenith Bank Plc allow their employees use their discretion to schedule work and determine how it is to be done	1.83	0.75	2.45	85	0.13	NS
	Cluster	1.95	0.85	2.84	85	0.04	S

Source: Field Survey 2019

The result from table one above show T-test analysis of the significant difference between the mean rating of Zenith Bank Plc staff in Warri Delta on strategic human resource management on organizational performance. The result shows that there is significant difference in strategic human resource management and organizational performance/growth of Zenith Bank Plc employees in Warri. The cluster t-value of 2.84 with the associated probability value of 0.04 shows that the result is significant.

Hypothesis Two: There is no significant difference in the problems militating against strategic management planning and organizational growth.

Variables	N	Mean	SD	df	T	Sig	Result
Problems of strategic management planning	6	3.26	1.33	5	3.061*	2.09	Significant
Organisational growth	6	3.81	1.32	5	3.061*	0.92	Significant

Significant at $p > 0.05$

From table two, the result shows that there is significant difference in the problems militating against strategic management planning and organizational growth as shown by the $t(5)=3.061$ $p < .05$. Using the mean score $(3.36 + 3.81 > 2.50)$, problems militating against strategic management planning affects organizational growth.

Hypothesis Three: There is no significant difference between strategic management and organizational growth in Zenith Bank Plc

Variables	N	Mean	SD	df	t	Sig	Result
Strategic management	5	3.87	1.35	4	3.572*	.070	Significant
Organisational growth	5	3.25	1.28	4	3.572*	.070	Significant

Significant at $p > 0.05$

From table three above the result shows that there is significant difference between strategic management and organizational growth in Zenith Bank Plc as shown by the $t(39) = 3.572$ $p < .05$. Using the mean score ($3.87 + 3.25 > 2.50$), strategic management has a significant impact on organizational growth in Zenith Bank Plc.

Findings

The result of the findings obtained shows that there is significant difference in strategic human resource management and organizational performance and growth of employees in Zenith Warri Delta State since ($p > 0.05 = 2.84$) at 0.05 level of significance. The result of the findings revealed that there is significant difference in the problems militating against strategic management planning and organizational growth and there is significant difference between strategic management and organizational growth in Zenith Bank Plc since the t value show a significant difference. The findings obtained so far corroborates with Zundi, (2019) and Ringgs, (2019) who observed that the overall objectives of organizations is to design a physical arrangement that must meet economic management required outputs qualities and quantities so as to ensure effective strategic human resource management techniques to device possible means to address issues arising from employees low productivity. The findings of Needham, (2016) employees productivity is an important factor to be considered in any organization and effective strategic human resource management should be look into. This finding is also in line with Christian, (2017) he found out that employee productivity should be ensured in any organization for better growth and performance in the organization. He also observed that strategic human resource management facilitates the organization ability to achieve desired result and reach the profit margin within a short period of time.

Conclusion

In a country like Nigeria, it is expected that availability of strategic management to improve and have a stable electricity to encourage the establishment of more businesses. Constant and stable electricity will ensure good returns on investment. Hence, this study is timely in investigating the effects and contributions of strategic human resource management on organizational performance of Zenith Bank Plc in Warri Delta State.

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