

Employees' attitudes and efficiency of Human Resource Management practices: Evidence from Nigeria

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Abstract

Available evidence shows that employee attitudes are increasingly important for organizational success and competitiveness. This study examines how employee attitudes are related to efficiency of human resource management practices. Using structured questionnaire, a survey of 1,940 firms operating in the industries in Nigeria was randomly sampled. The findings of this study indicated that attitudinal dimensions such as commitment Trust, employment relations and self motivation are significantly related to efficiency of HRM practices.

Keywords: human resource management practices, employees, attitude,

Introduction

Human resources management (HRM) scholars have sought to understand the ways in which the efficiency of human resource (HR) practices are associated with the attitude of its employees. There is an indication that when appropriately managed, employees' attitude can enhance the efficiency of HR practices. However, as Wright and Nishii (2004) note, research has contributed little to our theoretical understanding of how HR practices and employees attitude relate; much more research that examines variables that might be involved in the proverbial "black box" between HR systems and organizational performance is needed from the perspective of employees attitude (Bowen & Ostroff, 2004; Bibi et al. 2012).

Theoretical and empirical studies have generally focused on HRM practices within western organizations. Relatively few studies have been done about the impact of HRM practices on firm performance in African countries (Olofin & Folawewo, 2006; Fajana et al. 2011). Job satisfaction is a topic of wide interest to both people who work in organizations and people who study them (Omer, 2010). Administration and manager tries their level best to create environment for positive attitudes of employees in whom they feel satisfaction. The satisfaction of employee's is important for performance and organizational growth that ultimately effect on national growth (Bibi et al; 2012). So it is important to understand their behaviour and attitude to make them satisfy and increase commitment level. There are many factors that influence attitudes of the employees both in developed and developing countries. Researcher have examined the attitude of employee with job satisfaction, promotion, fringe benefits, working condition, support of research, staff evaluation and appraisal, administration. However no study found that analyze the efficiency of HR practices in relation to attitudes of employees in Nigeria. HRM in many organizations focuses on human capital development and advocates the HR planning, performance management and recruitment and selection of employees (Cooke, 2005).

Review of literature has shown that HR practices are associated with organizational outcomes through their influence on employee attitudes and behaviors (e.g., Huselid, 1995;), Bowen and Ostroff (2004), suggested that the causal chain may be more complex than previously thought. They suggest that employees' perceptions of HR practices are likely to precede the employee attitudes and behaviour links in the causal chain. That is, in order for HR practices to exert their desired effect on employee attitudes and behaviors, they first have to be perceived and interpreted subjectively by employees in ways that will engender such attitudinal and behavioural reactions. But if, as we know from psychological research, people perceive reality differently (Fiske & Taylor, 1991), then we can expect that not all employees will interpret HR systems similarly. This suggests that the effect of HR practices is not likely to be automatic and always as expected; instead, their effect will reside in the meanings that employees attach to those practices.

The extent of relationship between employees' attitude and human resources practices has drawn inconclusive results from all fields of behavioural sciences. Theories concerning employees attitudes are still weak while empirical findings present mixed results. The situation calls for further investigation. Luu (2001) concluded that employee attitudes and organizational performance are linearly related; however, this attitudes- performance relationship is fundamentally different between organizations. Previous literatures have consistently found that attitudes and behaviour of members were significantly affected by perceptions of justice that are derived from how reward is determined and distributed across organizations.

Wenhu (2006) defined HRM as activities relating to managing people in organizations for the good of the employees, the company and society. Thus, human resource management involves the development of an

individual's abilities and attitudes in such a way that the individual is able to grow personally and contribute towards organizational interests (Kinicki, et al.). Human resource management is an integrated strategy and planned development process for effective utilization of human resources for the achievement of organizational objectives.

Katou (2009), in his study investigated the pathways leading from Human Resources Development (HRD) to organizational performance by using structural equation modeling. He employs data from organizations operating in the Greek manufacturing sector and the results indicate a positive impact of HRD to organizational performance. This according to him is mediated through skills, attitudes and behaviour and moderated by resourcing organizational context and other contingencies.

Many studies have been carried out in the recent past on the relationship between human resource management (HRM) practices and organizational performance. The result established a wider agreement that human resource management practices improve company performance by increasing employee skills and abilities, promoting positive attitudes and increasing motivation; and providing employees with expanded responsibilities so that they can make full use of their skills and abilities (Patterson, West, Lawthrom, and Nickell 1997, Cooke, 1999).

Review of literature indicated essential HRM practices as workforce planning, job analysis, training and development, recruitment and selection, compensation and reward, performance appraisal, career management, human resources information system, quality of work life, personnel diversity, employees attitude surveys (Matthis and Jackson, 2004; Cascio, 2006, Armstrong, 2005). In meta-analysis of 104 firms, Boselie et al. (2001) used ten HR practices in their studies while Huselid (1995) used thirteen by adding three to the earlier used ones. This includes personnel selection, performance appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, labour management participation, training and development, recruitment (selection ratio) and promotion criteria. The notion of equity theory posits that the pay structure greatly matters to employee performance as well as to employers' interest because workers tend to compare their payment levels with what their colleagues receive within an organization and also with what members of competing organizations are paid. The violation of equity in reward determination significantly affects the attitude and performance of workers (Heneman and Judge, 2000). Previous literatures consistently found that attitudes and behaviours of members were significantly affected by perceptions of justice that are derived from how reward is determined and distributed across an organization.

Review of literature indicated essential HRM practices as workforce planning and job analysis (Cascio, 2006; Dessler, 2003); training and development (Kundu, 2003); recruitment and selection (Kulick, 2004); compensation and reward (Milkovich & Newman, 2002); performance appraisal (Bernardin & Russel, 1993); career management (Schein, 1996); human resource information system (Wolfe, 1998); quality of work life, personnel diversity, employees attitude surveys (Armstrong, 2005; Bracken, 2000; Hayes, 1999) as major ingredients to organisational performance.

Katou (2009) in his study examined the mechanisms through which Human Resource Development (HRD) leads to organizational performance using Structural Equation Model (SEM). The analytical tool was specifically used to test a research framework that is constituted by a set of causal relationships between organizations and other contingencies such as resourcing and HRD, skills, attitudes and behaviours and organization performance. Data used for the study were gathered from organizations in the manufacturing sector of Greek His findings shows that HRD have positive impact on organizational performance and the impact is serially mediated through skills, attitudes and behaviour and moderated by resourcing organizational context and other contingencies. The study does not only support that HRD positively influence organizational performance, it also explains the mechanisms through which HRD improves organizational performance in the Greece manufacturing setting. Rizov and Croucher (2009) examined how far collaborative types of HRM practices, including group-based forms, are associated with improved firm performance in European countries. Two Human Resource Management practices were examined. These are the "collaborative" and "calculative" HRM practices. Their findings show that in those countries where the institutional setting is most conducive, collaborative organizational level practices (characterized by valuing employees as assets and core partners, creating and communicating a culture of partnership between employer and employees as well as among employees, communicating organization's mission, values, goals and strategy statement through explicit open communication policy and strong support for employees consultative bodies like unions and committees enhance the labour extraction process and lead to superior firm performance. Calculative practices have a weaker impact on the labour extraction function and firm performance.

Adeyeye (2009a) studied the effect of Human Capital Development practices on organizational effectiveness in Nigerian banks. He used both descriptive statistics and Pearson product moment correlation to analyze data generated from questionnaire administered to selected banks in Lagos State, Nigeria. The result of the study

indicates that Nigerian banks are actively involved in Human Capital Development Practices and thus has significantly enhances the banks effectiveness. The study however, is limited as only four selected Human Capital Development Practices were examined individually. The author in fact rightly pointed out that the result of the study needs to be viewed with caution, as the result does not allow any assertion of causality. This is a very fundamental limitation of the study.

Adeyeye (2009b) in another study examined the relationship between size of the organization and human resource management practices in the Nigerian Universities. The result indicates that size did not correlate with the usage of human resource management best practices. Both big and small Universities use similar and identical human resource management practices.

Khan (2010) examined the effects of HRM practices on organizational performance in Oil and Gas Industry in Pakistan. A total of 150 managers of 20 randomly selected firms of Oil and Gas Industry were administered questionnaire on. Five HRM practices were investigated namely: training and development, recruitment and selection, compensation and reward, performance appraisal and employee relation. The effects of these practices were examined on subjective measures of performance (product quality, productivity efficiency, and overall perceived performance compared to industry average). Factor analysis was performed to identify HRM practices. The regression analysis conducted, indicated a positive and statistically significant association of these practices with organizational performance.

Gurbuz and Mert (2011) examined the impact of strategic human resource management (SHRM) on organization performance in Turkey. Empirical results show that SHRM and selection/development practices have direct and positive effects on financial/market performance and operational performance while only selection development practices have positive effect on turn over. Following the dearth of literature on impact of human resource management practices on overall performance of food and beverage industry in Nigeria; this seeks to evaluate this important aspect with a view to providing guideline for similar industry in developing nations.

Methodology

The survey research design was adopted for this study because the information obtained from the sample can then be generalized for the entire population. This study relies mainly on primary source of data. Structured questionnaire were designed and constructed to gather information from the respondents of the selected listed firms in the Food and Beverages industry in Nigeria. The population for this study is the entire workers of the listed food and beverage industry in Nigeria which include Nestle Nigeria Plc, Cadbury Nigeria Plc, Nigeria Bottling Company Plc, Seven Up Plc, Dangote Flour Mills Plc, and Flour Mills of Nigeria Plc. The choice of these companies is due to their impressive progress in food and beverages industry which has invariably been expanding seriously lately in Nigeria. The selected companies are also dominant firms in the food and beverages industry with several years of existence in Nigeria. The total workforce in the six listed companies is nineteen thousand four hundred and sixty-five (19,465) which constitute the study population. Since it was impossible to reach all employees of these organizations, it was therefore necessary to sample the population and make generalization from the result of the statistical analysis of the data collected. As such One thousand Nine hundred and Forty (1940) respondents which accounted for about 10% were conveniently picked for the study by respective officers at the corporate affairs department (at the instance of the Human Resource Manager) to distribute and collect the questionnaires within the organization. The lead contact person (at the corporate affairs) approached through the Human Resource Manager was instructed to distribute the questionnaires across the entire departments of the organization. Data collected were analysed using Analysis of variance.

Results and Discussion

Table 1 shows the results of analysis of the attitudes of the employees towards efficiency of human resource management practices in food, beverage and tobacco industry. The result indicates that attitudinal dimensions such as commitment ($F_{(0.05)}, df(1, 1594) = 410.917$) Trust ($F_{(0.05)}, df(1, 1593) = 242.805$), employment relations ($F_{(0.05)}, df(1, 1593) = 65.571$), well being ($F_{(0.05)}, df(1, 1593) = 76.458$), Absence ($F_{(0.05)}, df(1, 1593) = 82.493$), self motivation ($F_{(0.05)}, df(1, 1593) = 96.519$), related to efficiency of HRM practices. This finding is consistent with Baptiste (2008). Commitment of employees is the heart of human resource management and the key factor that separates HRM from traditional personnel management (Guest, 1997).

The concept of commitment is an internalised employee belief, often associated with soft HRM and a high-trust organisational culture (Mathews and Shepherd, 2002). It is concerned with feelings of attachment to the goals and values of the organisation, one's role in relation to this, and attachment to the organisation for its own sake rather than for its strictly instrumental value. Commitment is frequently associated with an exchange

relationship between the employer and employee. From the employees' perspective, they commit to an organisation in return for certain rewards, which can be extrinsic (salary) and intrinsic (belonging, job satisfaction). Legge (2005) suggests that the attitude conceptualisation suggests that committed employees have a strong belief in and acceptance of the organisations goals and values, show a willingness to exert considerable effort on behalf of the organisation and have a strong desire to maintain membership with the organisation.

Conclusion

The study examined the relationship between attitudes of employees and efficiency of human resource management practices. Firms and several organizations are in a position requiring effective response to increased competitive pressures, by positively raising the attitude of their employees. Given that the field of organizational psychology has a rich history related to the study and understanding of employee attitudes and job satisfaction, examining this in view of organizational practices is crucial. The findings of this study will provide more in-depth understanding of the effects of employee attitudes on efficiency of human resource management practices. Greater insights on the relationship between employee attitudes will assist HR professionals to analyse the performance of firms and various organizations.

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Table 1. Attitudes of employees towards efficiency of HRM practices

S/N	Attitudinal Dimensions	Df	Mean square	F	P-value
i	Commitment	1	447.348	410.917	0.000*
		1593	6.174		
		1594			
ii	Trust	1	161.948	242.805	0.000*
		1593	6.447		
		1594			
iii	Job satisfaction	1	0.127	0.069	0.769
		1593	4.473		
		1594			
iv	Employment relations	1	0.712	65.571	0.003*
		1593	11.293		
		1594			
vi	Absence	1	485.773	82.493	0.000*
		1593	1.040		
		1594			
vii	Self motivation	1	321.103	96.519	0.022*
		1593	52.125		
		1594			

Source: Field survey, 2012

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