**THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON ORGANIZATIONAL PERFORMANCE**

**(A STUDY OF AIRTEL NIG)**

ABSTRACT

This study examines the impact of human resource management on organizational performance. Generally, this study was made on the management, staffs and the customers of Airtel Telecommunication, Asaba metropolis in Oshimili South local government area of Delta state, Nigeria. Primary was sources of data collection for this study. Structured questionnaire were used to elicit data from the respondents. One hundred (100) respondents were selected for this study but ninety (90) were eventually used. A survey research design was employed and a simple random sampling technique was adopted. Simple percentage method and chi square tool was employed as the major analytical tool. The findings revealed that there is positive relationship between employee’s development and organizational performance. The study therefore recommended that training and development contribute to the profitability of the organization.

**CHAPTER ONE**

**INTRODUCTION**

**1.1 BACKGROUND OF THE STUDY**

The management of people within the organisation has become an increasingly recognized important focus for researchers and practitioner over the past 20 years. Organisations are becoming more aware of important role human resource play in the success of their organisations to achieve financial performance. As a result, organisations are becoming more employee-centric by focusing on enhancing employees’ engagement and organisational commitment

It is important for organisation to adopt human resources management (HRM) system that optimizes workforce as it enables organisation to achieve competitive advantage in today’s global market economy that provides wider access to technology, finance and other resources. Pfeffer (1994) stated that firms have increasingly recognized the potential for their peopleto be a source of competitive advantage. Creating competitive advantage through people requires careful attention to the practices that best leverage these assets. According to Nishii, (2008) scholars generally agree that appropriately designed, Human resources management practices can enhance organizational performance. Related theories suggesting and supporting assumption holds that the practices of Human Resources Management influences employees attitudes and behaviours.

Human Resource Management is an invisible asset in an organisation. It creates value when embedded in the operational system that enhances organisational performance and ability to deal with turbulent environment. Effective HRM assists in developing human resources into high quality and efficient workforce thus enabling the organisation to obtain a competitive advantage through their people. In contrast, inefficient workforce can increase labour cost and decrease organisation productivity. However, in order to remain competitive, grow and diversify, an organisation must ensure that its employees are qualified, placed in appropriate position, properly trained, managed effectively and committed to the firm’s success. The goal of HRM is to maximize employees contribution in order to achieve optimal productivity and effectiveness while simultaneously attaining individual objective (such as having a challenging job) and obtaining recognition) and societal objectives (such as legal compliance and demonstrating social responsibility).

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

Training is a flexible way to develop an employee as it consists of both formal and informal ways to enhance the effectiveness and efficiency of employees (Ellstrom, 2011). Job security increases employees’ honesty, keeps employees committed to the organization and provides security to valuable information as well (Raji and Jackson, 2011). Reward system is imposed on organization to evaluate reward and organization reward employees on the basis to get value by elaborating what they have spent and what they have got (Armstrong, 2011). Employee performance can be evaluated by the evaluation of task and reward system. Employee performance is one that is affected by the knowledge transfer that helps employee to develop their understanding of networking as well as focusing on the organizational performance.

Organizational performance is related to organizational justice which allows employees to get committed to task assigned to him or her. HRM dimensions greatly influences the employees attitude which in turn affects employees’ performance. If HRM system works effectively, then increase in the organizational performance will be seen (Snape and Redman, 2010). Competitive advantage is viewed as a source of competitive advantage is a must for any organization and employees are always viewed as source of competitive advantage for any organization (Barney, 1991; Pfeffer, 1994). So, human resource management must be made in such a way that can utilize employees in the best possible way to increase performance of organizations.

1.2 STATEMENT OF THE PROBLEM

Research problem is an intellectual stimulus calling for an answer in the form of scientific inquiry.

From experience over the years, with the role of human resource management in the achievement of organizational goal in Nigeria compared to other organizations of the world. It has been observed that human resource management in Nigeria have not performed well to support the efficiency and growth of the nation.

Any management that is keen on training its personnel is usually faced with the problem of cost/benefit analysis. It is very easy to work cost but it is difficult to put value on the asset. It is therefore pertinent to list the problems associated with training human resource in the organization.

It has been observed that the problem facing business and increasingly number of workers are being faced with poor condition of service including remuneration. Furthermore, the foreign exchange problem has added a new dimension to the range of problem facing business organization. The overall effect of the problem is that most business organization can no longer afford to offer the employees good remuneration and adequate compensation for their labour. This is a situation that brought about ineffectiveness of human resource in the achievement of organizational goals.

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

Furthermore, prominent among the reasons why organizations perform poorly in most organization in Nigeria is the problem of fund. Thus, this is the reason for the introduction of two schemes and programmes by the federal Government through the CBN which are geared towards improving the accessibility and availability of credit to the companies in order to make them more vibrant. Even the funds cannot manage themselves without the human resource.

At this point, the problem this study seeks to address is to find out the impact of HRM and how it has facilitated the growth and achievement of organizational goals.

1.3 OBJECTIVES OF THE STUDY

Research objectives are statements that the research project will attempt to achieve. They provide the guidelines for establishing research agenda of activities necessary to implement the research process (Hair et al, 2006; 663).

The main objective of this study is to find out the impact of Human Resource Management (HRM) on organizational performance. Aside this, other specific objectives that will be addresses are;

1. To determine the relationship between employee’s development and organizational performance.
2. To examine relationship between compensation management and organizational performance.
3. To determine the relationship between employee’s development and organizational performance.

1.4 RESEARCH QUESTIONS

Research Question is the question which the researcher set out to answer. It is essentially a hypothesis asked in the form of a question (Kerlinger 2006).

Given the objectives of the study above, the following research questions are this formulated to guide the study

1. What is the the relationship between employee’s development and organizational performance.
2. What is the relationship between compensation management and organizational performance.
3. What is the relationship between employee’s development and organizational performance.

1.5 RESEARCH HYPOTHESIS

Research hypothesis is a formal statement that presents the expected relationship between an independent and dependent variable (Creswell 2006).

* H1: There is positive relationship between employee’s development and organizational performance.
* H2: There is positive relationship between compensation management and organizational performance.
* H3: There is positive relationship between organizational citizenship behavior and organizational performance.

1.6 SCOPE OF THE STUDY

The study is carried out within Asaba metropolis, Oshimili South Local Government Area of Delta State, Nigeria. The study focuses on the telecommunication industry in Nigeria generally but only covers Airtel Nigeria Plc.

The sampling objects used in the study are employees and customers of Airtel telecommunication industry, Asaba metropolis. It was presumed that this group of people could provide more information in response to the questions contained in the questionnaire – The impact of Human Resource Management on Organizational Performance.