

THE IMPACT OF HRM PRACTICES ON ORGANISATIONAL PERFORMANCE:

THE CASE STUDY OF SOME SELECTED RURAL BANKS

BY

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DECLARATION

I hereby declare that this submission is my own work towards the MBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

This research looked at the impact of HRM practices on organisational performance in the case of some rural banks in the Ashanti region of Ghana. Research over the years, has established significantly a positive correlation between HR practices and organisational performance. The assumption underpinning the practice of HRM is that people are the organisation's key resource and organisational performance largely depends on them. Therefore, if an appropriate range of HR policies and processes are developed and implemented effectively, HR will make a substantial impact on organisational performance. However, the majority of the rural banks in Ghana are yet to catch the HRM cold. The objectives of the study were to examine the general HR practices and programmes of the rural banks, evaluate the perceptions of employees on HR practices and programmes of the rural banks and establish the impact of properly managing human resources on the performance of these rural banks. This study surveyed four branches each of four rural banks with total respondents of 150 made up of 40 managerial employees and 110 non-managerial employees. The response rate was 98.66% which represented 40 managerial employees and 108 non-managerial employees. The study employed two sets of 8 and 10 HR practices categorised questionnaires for managers and employees respectively. Purposive and convenience sampling techniques were applied to managers and employees respectively. The findings of the study revealed that HR practices are improperly planned; implemented and managed by non-HR experts and that the practices, programmes and policies of these rural banks are lowly perceived by their employees. The study also showed that the enormous benefits of properly managing human resources are lost to these rural banks. It was recommended that rural banks should dedicate a department to HR for the proper management of human resources through whom competitive advantage could be created.

DEDICATION

This work is dedicated to my parents, Mr. and Mrs. Quansah and Mr. James Asare for their unflinching support and good counsel. It is also dedicated to all my siblings; Shadrack, Obed and Keziah for making me their mentor. Last but not least, it is dedicated to Winfred Daniel Nii Adjaye for co-authoring another interesting chapter of my life.

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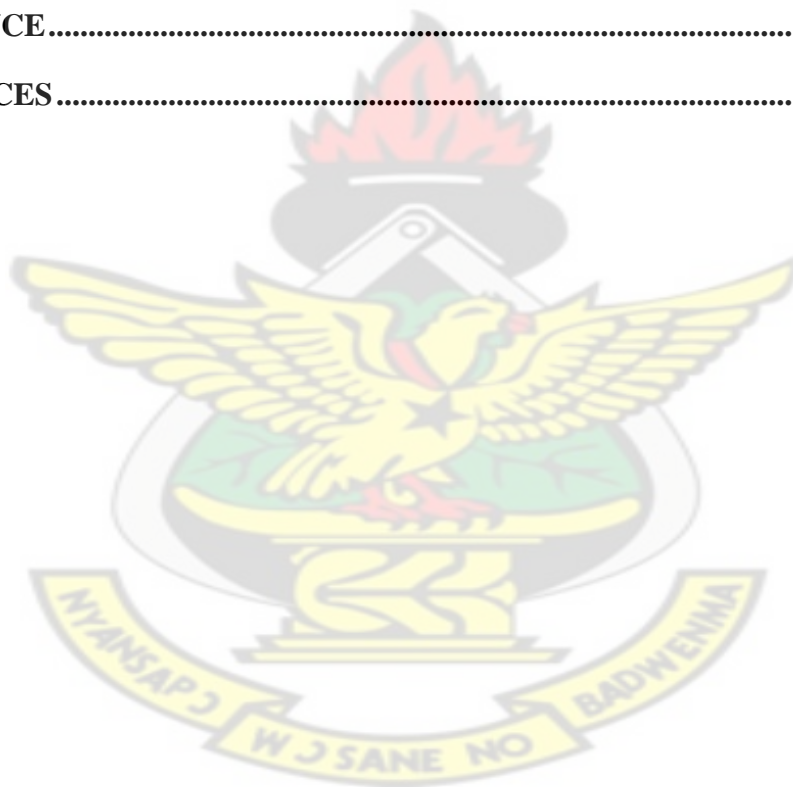
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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

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, organisations especially in the service industry need 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 transcended 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 and 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 and 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 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 businesses to survive, HRM should be given its rightful place of relevance in any organisation and not left in the hands of line managers who neither have the expertise nor the time and space to carry out the enormous functions of a human resource manager.

The purpose of this study is to determine the impact of HRM practices on organisational performance of 4 rural banks in the Ashanti region.

1.2 STATEMENT OF THE PROBLEM

HRM has made significant inroads into the Ghanaian corporate world. It is common to see large organisations in Ghana set up a whole department for the sole purpose of managing human resources and hire experts in the field to be in charge of HRM. The enormous benefits of properly managing human resource cannot be over emphasised. However, the majority of the rural banks in Ghana are yet to catch the 'HRM cold'. Inappropriate HRM policies and practices of some of these banks can be attributed to the non-existence of HRM specialists or HRM departments. Research has established significantly a positive relationship between an organisation's HRM practices and performance. Most of these banks do not realise the impact of properly managing its human resource and therefore leave policies in the hands of line managers and board of directors who are non-HRM experts to implement or enforce strategies, policies, processes, programmes and practices. The value of properly managing human resources is lost to such rural banks.

Human Resource Management is extremely important for banks especially because banking is a service industry. Management of people and management of risk are two key challenges facing banks. How you manage the people and how you manage the risks determines your success in the banking business. Efficient risk management may not be possible without efficient and skilled manpower.

Banking has been and will always be a "People Business". Though pricing is important, there may be other valid reasons why people select and stay with a particular bank. Rural Banks must try to distinguish themselves by creating their own niches or images, especially in transparent situations with a high level of competitiveness. In coming times, the very survival of the banks would depend on customer satisfaction. Those who do not meet the customer expectations will find survival difficult. Banks must articulate and emphasize the core values to attract and retain certain customer segments. Values such as "sound", "reliable", "innovative", "close", "socially responsible", "Ghanaian", etc. need to be emphasized through concrete actions on the ground and it would be the bank's human resource that would deliver this.

HRM has sank into oblivion to most of the rural banks in the Ashanti region and it is about time rural banks saw the role and impact of HRM on performance and worked towards properly managing their manpower. It is in the face of this existing state that the researcher wishes to establish the impact of HRM on organisational performance and how rural banks can, through appropriate HRM practices improve performance.

1.3 OBJECTIVES OF THE STUDY

The primary aim of this study was to evaluate the perceptions of employees towards HRM practices of rural banks and to establish the impact of such practices on organisational performance.

1.3.1 General Objectives

The general objective of this study is to explore the role of HRM in organisations and its effects on organisational performance.

1.3.1 Specific objectives are to:

1. Examine the general HR practices, policies and programmes of these rural banks in the Ashanti region.
2. Evaluate the perceptions of employees on HR practices, policies and programmes of these rural banks.
3. Assess the level of productivity in these selected rural banks.
4. Establish the impact of properly managing human resources on the organisational performance of selected rural banks.

1.4 RESEARCH QUESTIONS

1. What are the general HR practices existing in the selected rural banks?
2. What are the perceptions of employees and managers about HR practices of the selected rural banks?
3. To what extent do these practices impact on the achievement of organisational goals?
4. What practices can ensure the proper management of human resource and impact on the organisational performance of the selected rural banks.

1.5 METHODS OF THE STUDY

The purpose of the study was to examine the impact of HRM on the organisational performance of selected rural banks in the Ashanti region. The target population for the study was the employees and managers of four rural banks namely Juabeng, Asokore, Amanano and Atwima Kwanwoma Rural Banks in the Ashanti region. A preliminary investigation carried out revealed that this study had a population size of not less than one hundred and fifty (150) people and this served as the sample size for the study. This study collected data from two main sources; primary and secondary data sources. The primary data are those collected and analysed by the researcher from the field mainly through

responses obtained from the respondents to questionnaires and interviews. The researcher also relied on secondary data which are data already collected for some other purpose by another person other than the researcher. The sources included rural banks handbook, employment policies, annual financial reports, ARB Apex performance reports and websites.

Quantitative and qualitative research methods were used to help triangulate and back up each set of findings with the different methodologies. To elicit for relevant information for this study, two sets of questionnaire were designed and administered personally to the banks' employees and managers. This was because the diverse opinions of both employees and managers on HRM issues were what the researcher sought for.

The questionnaire as an instrument was self-explanatory and consisted of only closed questions. The questionnaire had three sections; Section A asked for the personal details of the respondents, Section B had different questions on seven HRM dimensions such as recruitment and selection systems, compensation and rewards, training and development, performance management and appraisal, employee involvement, employment security, career planning; and two HRM outcomes specifically for non-managerial employees. The last section, Section C, tackled employee and organisational performance. There were, in all 70 items in the questionnaire for employees and 63 items in that of managers. (See Appendix 1 & 2)

Moreover, a semi-structured interviewing schedule solely for managers was developed and administered with a mixture of closed and open ended questions on existing HR strategies, policies, programmes and practices and the perceived outcomes that affect organisational performance.

1.6 SIGNIFICANCE OF THE STUDY

The banking industry has changed from who runs the best adverts, has an international status, is prestigious, or has the finest offices to who develops innovative products, manages risks, is IT friendly, has great customer relationship management and keeps the customer coming back. Banking will need employees with special skills and abilities, right attitudes and behaviours to make these happen. Organisational performance culminating into effectiveness, efficiency, success and development depend on the optimal utilisation of human resource. Notwithstanding the level of technology, banking is primarily a labour intensive service sector. Hence it will not be possible for the banks to sustain performance unless human resource management is given prime importance because the technology is only an aid to human effort and not a substitution thereof. Banks will need to create competitive advantage through their employees. Because no meaningful change is possible without the proper management of human resources, organisations would have to now emphasise on using human resources to differentiate in the competitive environment. It is a recognized fact that HR occupies a unique and sensitive position in the banking industry; therefore a study of this nature will help the selected rural banks to appreciate the impact of HRM of organisational performance. This study will propose appropriate HRM strategies, policies, processes, programmes and practices and the possible outcomes in the rural bank settings. It will also provide insights into adopting the “best fit” practices as strategic response for rural banks in the near future. The larger community stands to benefit since the improved performance of rural banks will enhance the living standard of mostly the majority informal sector that deals with them and contribute significantly to the growth of the Ghanaian economy. This study will prompt policy makers and implementers to pay due attention to HRM practices and the role of HRM strategies in achieving organisational goals. The academic

significance of this work is to add to existing theories on HRM, serve as reference to those engaged in other related studies and create the leeway for another to further research into HRM and organisational performance. The findings and recommendations will provide a solid basis for rural banks to properly manage their human resources and serve as an opportunity for the selected banks to improve performance with existing workforce. The study is also to add to the knowledge of HRM concepts in the Ghanaian corporate world and serve as reference for future studies.

1.8 ORGANISATION OF THE STUDY

This work is organised into five chapters.

The first chapter is the introductory chapter and it comprises; background to the study, statement of the problem, research questions which raise research objectives. It also covers the significance of the study and the sequential arrangement of the study.

Chapter two provides a broad background for the subsequent chapters and an extensive review of existing research works on the concepts and theories which give a better understanding of the subject matter.

Chapter three encompasses the methodology to the study. It provides for research design; procedure and method, population covered by the study, description of the study area, sampling techniques, instruments, data collection procedure and analysis. A review of the methodology is provided under this chapter.

Chapter four focuses on data analysis and interpretation of the results and discussions whiles Chapter five embodies the conclusions drawn based on the findings of the study upon which recommendations are made as well as directions for future research on the subject matter.

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 HR practices, contentions surrounding theories, models and previous findings. It ends with the HR practices that have been found to impact greatly on organisational performance of especially the service industry.

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’.

2.2 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.

2.2.1 Definition of Human Resource Management

Though the term HRM is widespread, the definition of the term has remained varied and elusive. Storey (1995) therefore defines HRM as: *“A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique”*

The term Human Resource Management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations. To Boxall et al, (2007), it is the management of work and people towards desired ends. Som, (2008) described HRM as carefully designed combinations of such practices geared towards improving organisational effectiveness and hence better performance outcomes.

2.2.2 Theories and Perspectives 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 organisation's human resources meet those criteria.

The Ability, Motivation and Opportunity (AMO) theory also argues that the formula; Performance = Ability + Motivation + 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 and 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 and 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 and 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 and 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 model whilst 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 Herberg 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).

2.3 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

Richard and Johnson (2001) using a sample of banks examined the impact of strategic HRM effectiveness on a number of performance variables. They found that the effectiveness of strategic HRM is directly related to employee turnover and the relationship between this measure and the return on equity was stronger among banks with higher capital intensity. 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 and 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 banks' performance.

2.4 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 and Deshpande, 1997; Hornsby and Kuratko, 1990; Goss et al., 1994; Wagner, 1998) or as "professional" (Gnan and Songini, 2003; Matlay, 1999). Pfeffer (1994; 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; Guest (1999) drew up the following list.

1. Selection and the careful use of selection tests to identify those with potential to make contribution.
2. Training, and in particular a recognition that training is an ongoing activity.
3. 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.
4. Communication to ensure that a two-way process keeps everyone fully informed.
5. 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 study also identified an HRM bundle of key practices that support services organisations;

1. Careful recruitment and selection, for example, 'total quality recruitment', 'zero defects recruitment', '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;

1. The use of internal career ladders
2. Formal training systems
3. Results-oriented appraisal
4. Performance-based compensation
5. Employment security
6. Employee voice
7. Broadly defined jobs

However, the best known which was produced by Pfeffer (1998a) named the following practices.

1. Selective hiring
2. Employment security
3. Self-managed teams
4. High compensation contingent on performance
5. Extensive training
6. Reduction in status differences
7. 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) has argued that the impact of HRM 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 organisational 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 and 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.

2.4.1 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, p 239). 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).

2.4.2 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 2001:543) 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, p. 353) 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.

2.4.3 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.”

2.4.4 Appraisal/Performance 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.

2.4.5 Employment Security

Studies by Delery and Doty (1996); Bjoekman 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.

2.4.6 Employee Voice (Involvement and Participation)

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)

2.4.7 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.

2.4.8 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 though efficient work performance.

2.4.9 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 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.

2.5 Organisational Performance

Researchers have different opinions of what performance is. 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 organisational performance, namely:

1. Leadership styles and environment
2. Job design
3. Organisational culture
4. Model of motive and
5. Human resource policies

The concept of performance borders on both what has been achieved and how it has been achieved. Organisational 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.

CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.0 Introduction

This study is aimed at examining the HRM practices of four rural banks and the impact of such practices on the organisational performance of these banks. This chapter discusses the research design, target population, sample, sampling techniques sources of data, and data collection procedures used in obtaining the required data. This section also gives a brief overview of banks under study.

3.1 Research Design

Research design embraces the methodology and procedures employed to conduct scientific research. The design defines the study type; data collection methods and statistical analysis plan. This study took an explanatory research design since it seeks to establish the impact of HR practices on organisational performance. This is a case study research work that used a selected number of HRM practices to get empirical data on HRM practices and how they affect organisational performance.

The research strategy used for the research was a survey approach in order to collect quantitative data which was analysed using descriptive statistical tools. The use of a survey enables generalisation to be conducted using findings generated from a sample size which is representative of the whole population.

3.2 Sources of Data

The data for this study was drawn from two main sources; primary and secondary data sources.

3.2.1 Primary Data

The primary data sources were those original data collected and analysed by the researcher from the field. These were mainly obtained from the responses of respondents to self-completion questionnaires, semi structured interviews and participant observation recordings.

3.2.2 Secondary Data

The secondary sources of data refer to data collected by a person or researcher other than the user of the information. This kind of previously collected information is not case-specific but it can be relevant to the studied problem (Lindstrom et al 2010) This study to a significant extent depended on information about rural banks in the Ashanti region and their HRM practices relevant materials from the and other documented relevant information.

Available handbooks, annual reports, performance reports, employment policies, relevant information from the organisations' website, blogs, journals, newsletters and other documented materials made up the secondary data used by the researcher. The data obtained from these sources were scrutinised for reliability, validity, adequacy and suitability in answering research questions. The use of multiple independent sources of data was to establish the truth and accuracy of any claim; thus it is expected to enhance the reliability and validity of the study.

3.3 Study Population

Investigating, for example a problem will almost certainly require a research project in the academic sense. Researchers often have interest in particular groups of people or items this is referred to as study population. Population is the total members of a defined class of people, objects, places or events selected because they are relevant to one's

research questions. In this study, the target population which is the entire set of units for which the research data would be used to make inferences or generalisation is the managers and non-managerial employees of Amanano, Juabeng, Atwima Kwanwoma and Asokore Rural banks.

On the average, the staff strength of these rural banks as at the time the researcher was obtaining preliminary data stood at twenty-two (20) at the head offices and eleven (9) at the branches. The figure for the head office is made up of five (5) management staff, four (4) supervisors for different departments, eleven (11) junior staff. At the branch level are one branch manager, one operations officer, two back office staff, one customer service personnel, two tellers, one relationship/credit officer and two microfinance officers. These members of the target population had characteristics and experiences that were capable of producing the responses the researcher needed.

3.4 Sample and Sampling Techniques

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.

This study had an estimated population size of one hundred and eighty eight (188) people and this large size made it impossible for the researcher to test every individual members of the population. As such, a sample size of one hundred and forty (150) respondents, representing 79.78% of the population was chosen as a true reflection of the population for the study. Based on non-probability sampling procedure, purposive or judgemental and convenience sampling techniques were used for selecting respondents for managerial employees and non-managerial employees respectively. The purposive sampling

technique is done with a predefined group in mind. The subjects are handpicked from the accessible population and matched against the criteria for being in the sample. This means that people whose opinions are relevant to the study are chosen for the researcher's data collection exercise. Here, sampling for proportionality is not the primary concern; rather the judgment of the researcher in sampling experts relevant to the study is significant.

The purposive sampling technique was chosen in sampling for managerial employees because they had to meet a criterion of belonging to the predefined group of top level managers. Again, the convenience sampling technique was used so that any non-managerial employee could participate as a respondent. The convenience sampling technique suited the non-managerial employees better due to their relative ease of access and the fact that any employee belonging to this group is a potential respondent.

A period of three weeks was allowed for respondents to attend to questionnaires and collection was done after the three week period. Out of the sample size of 150, forty (40) were top management staff of managers and supervisors, and the remainder of 110 respondents were a combination of non-managerial members constituting middle and lower level employees.

Table 3.1: Population and Sample Figures

Organisation	Sample Sizes	
	Managerial Employees	Non-managerial Employees
Amanano Rural Bank Ltd	10	40
AtwimaKwanwoma Rural Bank Ltd	10	20
Asokore Rural Bank Ltd	10	25
Juaben Rural Bank Ltd Atwima	10	25
Total	40	110

Source: Researcher's field survey 2013

3.4 Data Collection Instruments

Data collection instruments are the tools used to collect information as part of a research. The validity and reliability of data collection and instruments is of extreme importance to any sample survey. It is therefore essential to properly design data collection instruments so as to reach reliable and valid conclusions.

3.4.1 Questionnaire

Questionnaires have the advantage of securing relevant information effectively about phenomena that is not directly observable. It is also an efficient and effective method in reaching a larger group.

For the purpose of this study, two sets of structured questionnaire consisting of 65 close-ended questions and organised into four sections was used to collect primary data from employees. Section one consisted of five questions on the personal details such as age, sex, educational qualification, marital status and years of stay with organisation. Section two was designed to test employees' perceptions and experiences about HRM practices (recruitment and selection, training and development, compensation, employment security, performance appraisal, employee participation and career planning) and HRM outcomes such as job satisfaction and motivation, organisational commitment and employee retention. A five point Likert scale ranging from (1 - strongly agree to 5 – strongly disagree) was used in the last three sections to measure the impact of HRM practices on HRM outcomes and employee performance. The other set of 55 questions organised into three sections was designed for managerial employees. Section one sought for background information on the organisation, section two asked questions to test HRM practices such recruitment and selection, training and development, compensation and rewards, employment security, performance appraisal and management, employee involvement and career planning. The last section tested the organisational performance

of the organisations chosen for the research. All the questions were close-ended statements which were followed by alternative answers from which respondents were expected to tick appropriately. (See Appendix 1&2)

In addition, a semi-structured interview schedule was prepared to gather data from key informants of the banks on HRM practices and organisations' performance.

3.5 Data Analysis Techniques

Data collected from the completed questionnaires were inspected first of all, cleaned, transformed and collated into useful information for easy comprehension. After that the data were modelled into coded categories to facilitate analysis.

The researcher, with the aid of Statistical Package for Social Sciences (SPSS) and Microsoft excel presented the final data in charts and diagrams. The SPSS was used to obtain frequencies and percentages of close ended responses; and open ended responses were analysed in a qualitative manner. The reliability of the scale was measured using the Cronbach's alpha. The following tables show the reliability levels for the category of questions asked managers and employees.

Table 3.2 Reliability Statistics on recruitment and selection practices carried out by rural banks

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.722	.707	7

Source: Researcher's field survey 2013

Table 3.2 represents the reliability statistics of what and how recruitment and selection practices of the selected rural banks are carried out and managed. Cronbach's alpha was used to test the reliability of the scales used in measuring how some HRM practices are

carried out by selected rural banks. It is one of the most widely used tools for measuring internal consistency, that is, how closely related a set of items are as a group. A Cronbach alpha of .722 indicates a strong level of internal consistency reliability for the scale used in measuring what and how some HRM practices are executed and managed by rural banks. This means that the scale used measures the same construct. The total number of items is 7 for the scale.

Table 3.3 Reliability Statistics of compensation and rewards of selected rural bank

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.746	.759	6

Source: Researcher's field survey 2013

The above table gives a Cronbach alpha of .746 which means that the scale used. Table 3.3 represents the reliability statistics of what and how recruitment and selection practices of the selected rural banks are carried out and managed. Cronbach's alpha was used to test the reliability of the scales used in measuring how some HRM practices are carried out by selected rural banks. It is one of the most widely used tools for measuring internal consistency, that is, how closely related a set of items are as a group. A Cronbach alpha of .722 indicates an appreciable level of internal consistency of reliability for the scale used in measuring what and how some HRM practices are executed and managed by rural banks. The total number of items is 6.

Table 3.4 Reliability Statistics on training and development practices of rural banks

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.613	.573	6

Source: Researcher's field survey 2013

Table 3.4 represents the overall reliability scale used to measure the training and development practices of rural banks. Cronbach's alpha of .613 is shown on the table and it is indicating that there is a substantial level of internal consistency reliability for the scale used. This therefore means that the items under the scales are measuring the same construct. This also means that the scale used is very reliable. There are 6 items on the scale.

Table 3.5 Reliability Statistics on employment security of rural banks

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
-.595	-.290	5

Source: Researcher's field survey 2013

The value is negative due to a negative average covariance among items. This violates reliability model assumptions. The negative figure of -.595 for Cronbach's alpha means that there is no level of internal consistency reliability for the scale used for measuring employment security. This also means that the items under the scale do not seem to measure the same construct. The researcher can state categorically that the above situation is as a result of most managers not being familiar with the concept and practice of employment security in their organisations. Though the concept is not new in the HRM field, it is yet to either catch on or gain grounds in the HRM practices of rural banks. It is obvious that most managers opted to neither agree nor disagree and remained neutral on issues pertaining to employment security therefore creating the non-reliability situation. This scale has 5 items.

Table 3.6 Reliability Statistics on performance appraisal and management

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.833	7

Source: Researcher's field survey 2013

The above Table 3.6 reflects the reliability of the scale used in measuring the performance appraisal and management practices of rural banks selected for the study. This is expressed as a Cronbach's alpha of .86 which indicates a very strong internal consistency reliability for the scale used. It therefore means that the items under the scale are measuring the same construct. It also means that the scale used can fully be relied upon. There are 7 items on the scale measuring performance appraisal and management practices.

Table 3.7 Reliability Statistics on employee involvement

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.042	.017	4

Source: Researcher's field survey 2013

The Table 3.7 above shows the Cronbach's alpha of .042 as the level of internal consistency reliability. This indicates a weak level of internal consistency reliability. This also means that the items under the scale do not seem to measure the same construct. This could be attributed to the undeniable fact that the concept and practice of employee involvement yet to gain footing in the rural banking sector. It has always been 'a do as you are told' kind of relationship between employees and managers. It is understandable that managers will not take a definite stand on practices that have low relevance and are not formally sanctioned in their organisations. The scale measure 4 items.

Table 3.8 Reliability Statistics on career planning

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.774	.773	5

Source: Researcher's field survey 2013

Table 3.8 expresses the reliability of the scale used in measuring the career planning practices of rural banks through a Cronbach's alpha of .774. This indicates strong internal consistency reliability for the scale used and therefore means that the items under the scale are measuring the same construct. This also means that the scale used is very reliable. This scale has 5 items.

Table 3.9 Reliability Statistics on the organisational performance of rural banks

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.732	.721	14

Source: Researcher's field survey 2013

The Table 3.9 above shows a Cronbach's alpha of .732 of internal consistency reliability for the scale measuring the performance of the organisations selected for the study. The alpha shown indicates a strong level of internal consistency reliability. This means that the items under the scale are measuring the same construct. It also indicates the scale used can fully be relied upon.

Table 3.10 Reliability Statistics of Recruitment and Selection by Employees

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.661	.660	5

Source: Researcher's field survey 2013

Cronbach's alpha of .66 shown in the above Table 3.10 portrays a workable level of internal consistency reliability for the scale used. This means that the items under the scale are measuring the same construct and therefore means that the scale can be relied upon. This scale measure 5 items.

Table 3.11 Reliability Statistics on compensation and rewards

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.618	.629	6

Source: Researcher's field survey 2013

With reference to Table 3.11 above, Cronbach's alpha is .62 for compensation and rewards practices undertaken by rural banks. This gives an appreciable level to the internal consistency reliability to the scale used in measuring these practices. Again, it means that the items under the scale are measuring the same construct. Evidently, this scale can fairly be relied upon.

Table 3.12 Reliability Statistics on training and development for employees

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.902	.901	7

Source: Researcher's field survey 2013

Table 3.12 above gives statistics on the overall reliability of scale used to measure the training and development practices of rural banks. Cronbach's alpha of .902 is shown on the table and this indicates very strong internal consistency reliability for the scale used. This therefore means that the items under the scale are measuring the same construct and that the scale used is very reliable. There are 7 items on the scale.

Table 3.13 Reliability Statistics of Employment security of employees

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.508	.528	5

Source: Researcher's field survey 2013

Table 3.13 shows the reliability statistics of employment security of employees with rural banks. Cronbach's alpha .508 gives a weak level of internal consistency reliability for the scale used in measuring items under employment security. This therefore means that the scale fails to measure the same constructs and therefore cannot be fully relied upon. Employees' opinion could not produce a strong alpha to ensure reliability of scale used, just as the opinions expressed by managers on the practice could not produce a reliable Cronbach's alpha. However, the alpha produced here has some level of reliability compared to the negative alpha of managers. This could mean that though the concept is new to rural banks; it is better appreciated by employees of such banks and thus the positive alpha. There are 5 items on this scale.

Table 3.14 Reliability Statistics on performance appraisal

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.795	.804	9

Source: Researcher's field survey 2013

The above Table 3.14 exhibits a Cronbach's alpha of .795 on reliability statistics of performance appraisal practices for employees. This indicates that there is strong internal consistency reliability for the scale used in measuring the items. This also means that the scale is measuring the same constructs and therefore can unquestionably be relied upon.

Table 3.15 Reliability Statistics on employee participation

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.874	.876	5

Source: Researcher's field survey 2013

The Table 3.15 shown above gives the reliability statistics for employee participation. A Cronbach's alpha of .874 is registered for the scale used in measuring the items under employee participation. This indicates a strong level of internal consistency reliability for the scale used. It also means that the scale is measuring the same constructs and therefore can be relied upon. There are 5 items for the scale used.

Table 3.16 Reliability Statistics on career planning

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.823	.822	5

Source: Researcher's field survey 2013

Cronbach's alpha which is a tool for measuring reliability of a Likert scale gives .823 as the alpha for employees' responses to questions on career planning as shown on the above table 3.16. The alpha given means that the scale used is has a solid level of internal consistency reliability. This also indicates that the scale used measures the same construct and therefore is reliable.

Table 3.17 Reliability Statistics on motivation and job satisfaction of employees

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.859	7

Source: Researcher's field survey 2013

Showing on this table above is Cronbach's alpha .859 authenticating the strong level of internal consistency reliability of the scale used in measuring the items under motivation and job satisfaction. This means that the scale used measures the same constructs and therefore can safely be relied upon. The scale has 7 items to measure.

Table 3.18 Reliability Statistics on organisational commitment

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.283	.344	6

Source: Researcher's field survey 2013

This table gives the second lowest Cronbach's alpha this study has produced. Alpha .283 means that the level of internal consistency reliability for the scale used in measuring employee responses on their commitment towards the organisations they work for. This means that the scale used does not seem to measure the same construct and therefore the scale cannot be relied upon fully. There are 6 items the scale measures.

Table 3.19 Reliability Statistics on labour productivity

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.888	9

Source: Researcher's field survey 2013

The above table 3.19 gives the reliability statistics on labour productivity. The Cronbach's alpha of .886 indicates a potent level of internal consistency reliability for the scale used in measuring the items under labour productivity. This means that the scale used measures the same constructs and can totally be relied upon.

3.6 Industry Profile

Rural banks operate as commercial banks under the banking law, except that they cannot undertake foreign exchange operation. The first rural bank in Ghana was first established in 1976 to provide banking services to the rural population, providing credit to small-scale farmers and businesses and supporting development projects, with the first being in Agona Nyakrom in the Central Region of Ghana. By the early 1980s the demand for rural banking services increased as a result of the government's introduction of special 'Akuafu' cheques instead of cash payments to cocoa farmer. By 2002, 115 rural banks had been established.

Rural banks are locally owned and managed by residents in a community through the purchase of share. They operate within their catchment areas and cannot extend operations to other regions through branches. Rural and community banks are supervised by the clearing bank, ARB Apex Bank Ltd. under the regulation of the Bank of Ghana. ARB Apex Bank Ltd helps in monitoring and nurturing as the 'mini Bank of Ghana' to rural banks. Its shareholders are the rural and community banks and it was established to ensure the effective supervision of rural and community banks with the aim to broaden and deepen the financial intermediation in the rural areas.

Since the first rural bank was established in 1976 a lot of progress has been made. Jobs have been created, deposits have been mobilised, loans have been granted and the habit of savings and thrift has been inculcated in the rural and many urban dwellers. Rural banks have developed products and services that facilitate fast and reliable means of moving funds from one part of the country to another through the extensive network of rural banks.

The banking industry currently boasts of 139 rural banks spread over Ghana, with a total asset base of GH1¢.65 billion as at May, 2013. At the end of May 2013, total deposits of rural and community banks stood at GH¢1.2 billion with total loans and advances amounting to GH¢650 million while investment in government securities were worth GH¢480 million.

Though these are all noble achievements, there are many problems with the organisational performance of some of these rural banks. Seventy (70) out of the one hundred and thirty-nine (139) rural banks currently operating across Ghana have been classified by the Bank of Ghana as operating satisfactorily. The performances of fifty (50) have been described as mediocre and the rest will need close monitoring and nurturing to avoid being closed down.

This situation is compounded by the intense competition given by the traditional and foreign banks. This is further compounded by the clustering of rural banks in one locality. The maintenance of ICT infrastructure after the computerisation and networking of rural and community banks under the Rural Financial Services Project has increased the operational cost these rural banks.

The Bank of Ghana hinted on 29th July, 2013, the minimum capital of rural and community banks is to go up from GH¢150,000 to GH¢300,000 though some of these rural and community banks are yet to meet the 2008 minimum capital requirement of GH¢150,000. The obvious option for these underperforming banks is to be taken over by the strong ones.

With the evolving competitive environment it has become imperative to have rural banks to reposition themselves to meet the challenge. In fact, to survive in this competitive environment, rural banks would have to compete on service quality, cost-effective pricing

and customer service. This can effectively be done by creating and sustaining competitive advantage through its human resources and thereby improving organisational performance.

3.7 Activities of the Banks

The banks selected for the research engaged in making available to customers lending and saving products.

3.7.1 Lending Activities

These banks lend to the following sectors: Agriculture, cottage industry, transport, trading and other sectors.

3.7.2 Lending Products

The mentioned banks have overdraft and loan facilities for deserving customers in common. These credit facilities are:

- i. Salary Loans/overdraft
- ii. Institutional loans
- iii. Susu loans
- iv. Microfinance loans
- v. Funeral loans
- vi. Agric loans
- vii. Auto loans
- viii. Commercial loans
- ix. Clearing financing

3.7.3 Savings Product

- i. Current account
- ii. Savings account
- iii. Susu deposit account
- iv. Fixed deposit

3.7.4 Other Services

- i. Apex Link Money transfer
- ii. Western Union Money transfer
- iii. Apex i-trans
- iv. Sale of shares

3.8 Data Collection from Organisations

The researcher established prior contacts with the selected rural banks and followed with an introduction letter to formally inform the people involved about the exercise. The staff had prior knowledge of the researcher's visits. A period of one week was allowed for questionnaires to be answered and made available to the researcher. It took the researcher three weeks to collect the completed questionnaires. In all 148 questionnaires were retrieved from respondents representing 98.67% of the 150 questionnaires administered.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.1 Introduction

This chapter presents information on primary data collected from respondents on HRM practices in rural banks in the Ashanti region of Ghana. The data were processed and presented in tables, graphs and other statistical representations using SPSS. Interpretations given were on processed data collected from the field that sought to establish the impact of HRM practices on the organisation performance of rural banks.

4.2 Demography of Managers and Employees of Selected Rural Banks in Ashanti Region.

Table 4.2.1 Gender of Managers

	Frequency	Percent
Valid Male	39	97.5
Female	1	2.5
Total	40	100.0

Source: Researcher's field survey 2013

Table 4.2.1 represents the gender of managers of the selected rural banks for the study. The above table shows that 39 respondents representing 97.5% are males and 1 respondent representing 2.5% is a female. This clearly confirms the fact the rural banking sector is male dominated. This could also mean that women do not rise to managerial positions or the structures of these banks do not support that women occupy managerial positions.

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 4.2.2 Age range of managers

	Frequency	Percent
Valid 31-40	26	65.0
41-50	14	35.0
Total	40	100.0

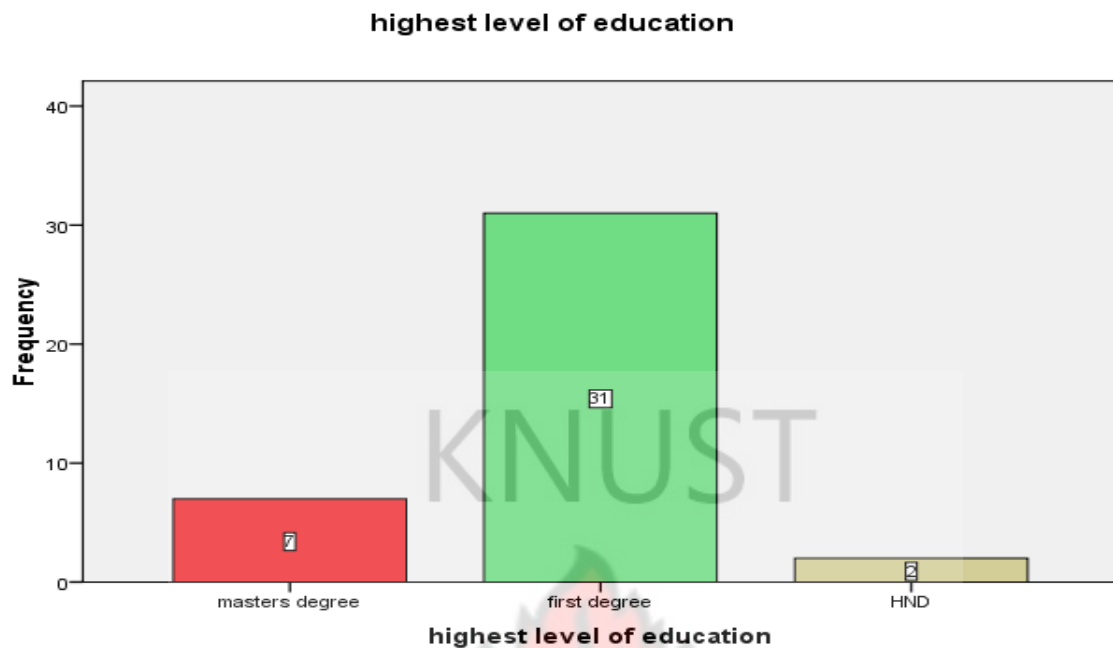
Source: Researcher's field survey 2013

Table 4.2.2 gives the age range of the managers of the selected rural banks. The table shows 26 respondents representing 65% of manager respondents are between the ages of 31 to 40 years. 14 respondents, representing 35% of managers belong to the age range of 41 to 50. This indicates that most of these managers belong to the youthful and mature range of ages. This therefore means that rural banks of today prefer having younger and exuberant managers to the then past middle aged managers. This could also mean that younger managers may serve as a means of making rural banks appealing to the youth.

4.2.3 Marital Status of Managers

All 40 manager-respondents were married, giving a 100% representation. This may mean the managerial positions are more often than not occupied by the married since they come across as the 'responsible' and 'focused' type.

Figure 4.2.4 Highest level of education of managers



Source: Researcher's field survey 2013

Figure 4.2.4 bears the highest level of education of managers of the selected rural banks. The figure shows clearly that 31 managers have at least a first degree. This means that one would have to have a higher level of education to occupy a managerial position. 7 respondents have climbed higher to obtain a masters degree and just 2 of the respondents hold a higher national diploma. This evidently shows that management of the selected rural banks have the appropriate level of education to manage these banks.

4.2.5 How Many Employees Are In Your Organisation

23 respondents, representing 57.5% claim to have the number of employees from 100 and above. 17 respondents indicated the population of employees to be 30 to 99 representing 42.5%. This means that on the average each bank has 300 employees.

Table 4.2.6 Gender of employees

	Frequency	Percent
Valid Male	53	49.1
Female	55	50.9
Total	108	100.0

Source:
Researcher's field survey 2013

survey 2013

Table 4.2.6 displays the gender of employees of the selected rural banks. 55 respondents are females representing 50.9% and 53 respondents being males represent 49.1% of the total 108 retrieved questionnaire. This may mean that woman dominate the non-managerial group in the banking circles. This could also mean that females tend to find employability with rural banks more than males.

Table 4.2.7 Age range of employees

	Frequency	Percent
Valid 20-30	50	46.3
31-40	48	44.4
41-50	9	8.3
51-60	1	.9
Total	108	100.0

Source: Researcher's field survey 2013

Table 4.2.7 above shows the age range of employees in the four selected rural banks. The table depicts that 50 respondents representing 46.3% of non-managerial employees are between the ages of 20 to 30 years. 48 respondents representing 44.4% are between the ages of 31 to 40 years. 9 respondents fell between the age ranges of 41 to 50 years taking up 8.3% of the total 108 respondents. Only one respondent is between ages of 51 to 60 representing 0.9%. This indicates that rural banks are dominated by youthful people and

that the lower level employees form a greater chunk of staff members. Compared to the age ranges of managers, lower level employees belong to the lower range of ages and rise through the ranks. Only a few non-managerial employees belong to the age ranges of 41 to 50 years and are yet to rise to managerial positions, this could be attributed to the inappropriateness of educational qualification or inability to earn a promotion due to underperformance.

4.2.8 Marital status of non-managerial employees

54 respondents representing 50% are single, whereas 46 respondents representing 42.6% are married. 7 respondents are divorced representing 6.5% of the total 108 respondents. According to some of the respondents, the banking society is dominated by the unmarried because they could work the long hours and on weekends with no marital obligations to attend to.

Table 4.2.9 Highest Level Of Education Of Employees

	Frequency	Percent
Valid Masters degree	3	2.8
First degree	38	35.2
HND	42	38.9
SSCE/WASSCE	21	19.4
Others	4	3.7
Total	108	100.0

Source: Researcher's field survey 2013

Table 4.2.9 represents the highest level education of non-managerial employees of the selected rural banks. 42 respondents representing 38.9% are Higher National Diploma holders who are mainly tellers or cahiers and others belonging to operations section. 38 respondents representing 35.2% are first degree holders made up of mostly credit, microfinance and operations officers and others such as customer service handlers and

secretaries. 21 respondents representing 19.4% are senior high school graduates who mainly consisted of mobile bankers. This may mean that being a mobile banker does not require a higher level of education. 3 respondents representing 2.8% hold second degrees. This low number of second degree holders is attributed to the perception that rural banking sector has little use for Masters Degree holders and therefore do not actually attract promotions or rise in pay, according to respondents. Information available to the researcher indicates that more and more of HND holders are acquiring first degrees or other professional certificates. 4 respondents representing 3.7% hold other qualifications such as LLB, stenography and diploma in business studies. None of the respondents has lower than senior high school certificate.

Table 4.2.10 Type of employment contract of employees

		Frequency	Percent
Valid	Permanent full time	77	71.3
	Part-time	1	.9
	Contract	24	22.2
	Temporal	6	5.6
	Total	108	100.0

Source: Researcher's field survey 2013

Table 4.2.10 exhibits the type of employment contract the non-managerial employees have with the selected rural banks. 77 respondents representing 71.3% in are permanent full time employment with their organisations. 24 respondents representing 22.2% are employees on contract with their organisations. This number is made up of mobile bankers who have such employment contracts with the banks and until recently were not SSNIT contributors. 6 respondents representing 5.6% were on attachments and therefore worked for the banks on temporal basis. Only one respondent representing 0.9% worked

on part time basis. This means that the mainstream employees are all under permanent full time employment.

4.3 Human Resource Management Practices

Table 4.3.1 Does your bank have a department dedicated to human resource

		Frequency	Percent
Valid	yes	5	12.5
	no	35	87.5
	Total	40	100.0

Source: Researcher's field survey 2013

Table 4.3.1 shows the existence or otherwise of HR departments in the selected banks. 35 respondents representing 87.5% indicated that their bank do not have a department dedicated to human resource. 5 respondents, representing 12.5% said that their organisation has a department dedicated to human resource. This means that most rural banks do not have HR departments dedicated to the proper management of their human resources. The formulation, execution and management of HRM practices are left in the hands of top management who are non-HR experts. Rural banks that do not have HR departments rely on board of directors, general managers and some line managers to execute HRM practices such as recruitment and selection, training and development, compensation and rewards, performance management amongst others.

Table 4.3.2 Execution and Management of HR practices

		Frequency	Percent
Recruitment and selection	Centralized	40	100.0
Training and development	Centralized	32	80.0
	Executed and Managed by Line Managers	8	20
Compensation	Centralized	40	100
Performance Appraisal/ Management	Centralized	5	12.5
	Executed and managed by line managers	35	87.5
Employee participation	Centralized	9	22.5
	Executed and managed by line managers	31	77.5
Career Planning	Centralized	30	75.0
	Executed and managed by line managers	10	25.0

Source: Researcher's field survey 2013

Table 4.3.2 shows how some HR practices are executed and managed by these rural banks. All 40 manager-respondents indicated that recruitment and selection is a centralised activity. This means that it is carried out by top management at the head office. The only role line managers have to play is to communicate and justify the need extra hands and the recruitment and selection are done for the branches. Although some of the banks take inputs from line managers as to what type of person to select, they do not play any direct and major role in the recruitment and selection process.

32 respondents representing 80% indicated the training and development is carried out at the head office 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 branch 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.

There is a situation where line managers are allowed to go as far as identify training and development needs and recommend training and development programmes for the

approval or otherwise of the management and Board. 8 respondents representing 20% indicated line managers have some role to play in training and development activities.

All 40 respondents representing 100% indicated that compensation as an HRM activity is carried out executed and managed at the head office by top management made up of the Board, general manager and their deputy. Often, operations managers have oversight responsibility over the payroll management together with the accountant or finance officer.

35 respondents representing 87.5% agree that all performance appraisal activities are decentralised and carried out by line managers who play supervisory role to the appraised. 5 respondents representing 12.5% indicated and upon further enquiries explained that, performance management which is a new concept to almost all the rural banks is a centralised activity which is being experimented and therefore it is yet to be left in the hands of line managers. It is a common practice that underperforming employees are transferred to the head office for coaching or for reassignment.

Out of the 40 respondents, 31 representing 77.5% indicated that employee participation is a practice encouraged by line managers at the various branches. 9 respondents representing 22.5% responded that this practice is centralised in that employees only participate in work related decision making and take initiatives only at the behest of top management. This can only mean that employee involvement is gaining grounds in the rural banks.

On career planning, 30 respondents representing 75% indicated that career planning is a centralised activity. It is the top management at the head office who map out the career path employees in the organisation take. It is the top level managers who decide on who, when and how an employee earns a promotion, earns a sponsorship to further education

or fills up a vacancy. 10 respondents representing 25% however indicated that line managers make recommendations as to who deserves a promotion or is qualified for a vacancy. Interestingly, no matter the input of line managers, the back still stops with the top level management in determining the career path of people in the employment of the bank.

Table 4.3.3 Item Statistics of Recruitment and selection practice in selected rural banks

	Mean	Std. Deviation	N
Appointment in this organisation is based on merit	3.98	.577	40
Applicants are fully informed about the qualification required to perform the job before being hired	4.05	.597	40
Advertisements are used by the bank to recruit	2.95	.876	40
There is formal induction, orientation and familiarisation process designed to help new recruits understand the organisation	4.25	.670	40
In this organisation, line managers and HR managers participate in the selection process	3.08	1.095	40
Selection system selects those having the desired knowledge, skills and attitude	3.80	.564	40
Vacancies are filled from qualified employees internally	2.88	.911	40

Source: Researcher's field survey 2013

Table 4.3.3 represents the item statistics of recruitment and selection practices according to managers. A mean of 3.98 shows that managers agree that appointment in their organisations is based on merit. Managers agree that applicants are fully informed about the qualifications required to perform the job before being hired; this is represented by a mean of 4.05. A mean of 2.95 indicates that managers take a neutral stand as to whether advertisements are used by the banks to recruit. This assertion was further concretised by

the revelation that rural banks do not often resort to advertisement to recruit because they rely mainly on recommendations mostly from top management and internal means of filling vacancies. Managers also agree that there is a formal induction, orientation and familiarization process designed to help new recruits understand the organisation. This is shown by a mean of 4.25. Again, managers remained neutral as to whether line managers and HR managers participate in the recruitment and selection processes and this is represented by a mean of 3.08. It comes as no surprise that managers remained neutral on the issue of involving line managers in the recruitment and selection processes since it is not the practice of these rural banks. Represented by a mean of 3.80, managers agreed that their organisation's selection system selects those having the desired knowledge, skills and attitudes. Asked on whether vacancies are filled from qualified employees internally, remained neutral because as it seems, such a practice is not widespread among rural banks. Managers prefer roping in new recruits rather than pushing up existing employees to fill up vacancies. This could be attributed to the fact that secondment, coaching and mentoring are almost none existent in the rural banks leading to the lack of qualified employees to internally fill vacancies. The responses to this question are represented by a mean of 2.88.

Table 4.3.4 Summary Item Statistics on recruitment and selection practice

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.568	2.875	4.250	1.375	7

Source: Researcher's field survey 2013

Table 4.3.4 shows summary item statistics of recruitment and selection practices carried out by rural banks. The table gives an average mean of 3.57 which means that managers do not show too strong an agreement to all the practices related to recruitment and

selection in their organisations. The minimum mean of 2.88, stands for the item with the least agreement which asked if vacancies are filled from qualified employees internally. The viewpoint expressed by the mean of 2.88 means that some managers are shifting their stance of disagreement to a neutral ground; neither agreeing nor disagreeing. The maximum mean of 4.25 depicts an agreement on the recruitment and selection practices by managers of the organisations in question. There are 7 items in the scale measuring recruitment and selection.

Table 4.3.5 Item Statistics of compensation and rewards of selected rural bank

	Mean	Std. Deviation	N
Pay for performance improves performance	4.22	.698	40
Employees are rewarded based on performance	3.45	.876	40
Compensation packages encourage employees to achieve organisation's objectives	3.75	.588	40
Employees are recognised and rewarded appropriately in this organisation	3.42	.594	40
Profit sharing/bonuses are used as a mechanism to reward higher performance	3.82	.747	40
Job performance is an important factor in determining the incentive compensation of employees	3.92	.829	40

Source: Researcher's field survey 2013

Table 4.3.5 displays item statistics of compensation and reward practices carried out by the rural banks and the perceived outcome of these practices from the viewpoint of managers. A mean of 4.22 indicates managers' agreement to the assertion that pay for performance improves performance. Managers of rural banks agree that the practice of pay for performance is motivating and brings out the best in employees. It stands to reason that when pay does not commensurate performance there is the tendency for

decreasing performance. However, managers have a neutral stance on whether employees are rewarded based on performance. This is shown by a mean of 3.45. Though managers agree from all indications that pay for performance improves performance, there is no strong agreement to the practice in reality. A mean 3.75 indicates that managers agree that the kind of compensation packages offered by their organisations encourage employees to achieve organisation's objectives. According to the managers, their compensation packages stand among the best in the rural banking sector and therefore should be able to motivate employees to achieve organisational objectives. There is no strong agreement on whether employees are recognised and rewarded appropriately in the selected organisations. This is represented by a mean of 3.42 which therefore means that managers neither agree nor disagree to the question that employees are recognised and rewarded appropriately in their organisations. Though employees of rural banks perform similar function as the traditional banks, their kind of compensation packages cannot be compared to that of the traditional banks. The above table also shows a mean of 3.82 indicating that managers agree profit sharing or bonuses are used as a mechanism to reward higher performance. Informal interactions the researcher had with some managers reveal that rural banks have adopted the practice of paying bonuses and other incentives based on employees' performances. Though this practice is not received well by some employees, with education and fairness in the execution of the practices, employees will grow to understand the benefits of differentiated profit sharing or bonus packages. The last item in this category sought to establish whether job performance is an important factor in determining the incentive compensation of employees and the managers agreed that it does. This is represented by a mean of 3.92.

Table 4.3.6 Summary Item Statistics of compensation and rewards of selected rural banks

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.767	3.425	4.225	.800	6

Source: Researcher's field survey 2013

Table 4.3.6 above which shows summary item statistics on compensation and rewards has an average mean of 3.77. This indicates that managers agree to the compensation and rewards practices undertaken by their organisations. The average mean also means a shift from neutral viewpoint to one of agreement on the practices on compensation and rewards. The minimum mean of 3.42 represents the item 'employees are recognised and rewarded appropriately in this organisation' which has the least of agreement and hovering around neutrality. The maximum mean of 4.22 for the item, 'pay for performance improves performance' has the most agreement from managers. The mean indicates a strong position towards the fact that performance improves as a result of pay for performance schemes. There are 6 items on the scale measuring compensation and rewards.

Table 4.3.7 Item Statistics of Training and Development practices

	Mean	Std. Deviation	N
Training needs are discussed with employees	2.78	.832	40
There is a training strategy and coherent training program	3.25	.742	40
Training incorporates the interests of the organisation as well as the individual	3.65	.533	40
Training needs identified are realistic, useful and based on the business strategy of the organisation	3.55	.504	40
Every employee goes through various training programmes every year	3.68	.888	40
There is a budget dedicated to training and development every year	4.45	.504	40

Source: Researcher's field survey 2013

Table 4.3.7 covers item statistics of training and development practices carried out by the rural banks. From the above table, the mean of 2.78 establishing whether training needs are discussed with employees shows that managers could not wholly agree that such a practices is the case. It is more often than not, the case that ‘wholesale’ training programmes are organised for employees without any form of discussions with the individual employees concerned. Again, the mean of 3.25 for the item, means that managers could not take a concrete stand as to whether there is a training strategy and a coherent training programmes. This could only means that training programmes are not strategically mapped out into a coherent whole; when top management deem it necessary to have training sessions organised for employees, it is done. Evidently, the mean of 3.65 shows that managers have a not too strong agreement to incorporating individual and organisational interests into training programmes. Obviously, the interest of these organisations will override that of the individual employees but room should be made to incorporate the individual interests of employees so far as training is concerned. It is not surprising that managers do not show a strong agreement point in confirming that training needs identified are realistic, useful and based on the business strategy of the organisation. This shows in the mean of 3.55 for that item. This means that the ‘wholesale’ nature of these training programmes do not permit the proper identification of realistic and useful training needs that are matched to the organisation’s business strategy. However, managers agree that employees go through various training programmes every year. This is represented by the mean of 3.68. Managers agree that a budget is dedicated to training and development every year. This is shown by the mean of 4.45.

Table 4.3.8 Summary Item Statistics on Training and Development Practices Of Rural Banks

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.558	2.775	4.450	1.675	6

Source: Researcher's field survey 2013

The above table depicts the average mean on the nature of training and development practices carried out by rural banks from the viewpoint of managers. The table which shows that an average mean of 3.56 means a not too strong agreement to what and how training and development practices are carried out. The table also gives the minimum and maximum mean of items provided in this category as 2.78 and 4.45 respectively. The minimum mean indicates that the item questioning whether training needs are discussed with employees has the lowest level of agreement from the viewpoint of managers. The disagreement climbs towards the position of managers neither agreeing nor disagreeing to discussing training needs with employees. The maximum mean on the other hand represents the item with the most of agreements from managers and the item is; there is a budget dedicated to training and development every year. It is the practice to dedicate a budget to training and development for employees of these banks, but as to whether the budget is used for the intended purposes can only be answered by top management.

Table 4.3.9 Item Statistics of Employment Security practice

	Mean	Std. Deviation	N
Employees are assured of long term future with the organisation	3.65	.834	40
There are sanctions for employees who do not obey instructions yet achieve desired results	3.80	.823	40
There is a formal, fair and reasonable process for handling grievances and complaints	3.30	1.043	40
If the organisation were facing economic problems, employees would be the last to get downsized	3.08	.888	40
It is very difficult to dismiss an employee	2.88	.883	40

Source: Researcher's field survey 2013

Table 4.3.9 clearly shows that all 5 items under the above category register mean figures that indicate the managers either do not wish to take a position to agree or disagree on the items or even when they do, do not give strong agreement to the listed items in the employment security practices offered by their organisations. The item seeking to establish whether there are sanctions for employees who do not obey instructions yet achieve desired results has the highest level of agreement from managers and it is represented by a mean of 3.80. The item with the least of agreements yet maintains a neutral stand is the one asking whether it is very difficult to dismiss an employee in these organisations.

Table 4.3.10 Summary Item Statistics on Employment Security

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.340	2.875	3.800	.925	5

Source: Researcher's field survey 2013

Table 4.3.10 represents a summary of the items statistics related to employment security from the viewpoint of managers. The table shows an average mean of 3.34 which means that managers neither agree nor disagree to the practices stated under the employment

security category of HRM practices. This means that on the average, managers maintain neutrality on issues relating to employment security. The minimum mean of 2.88 is attributed to the item; it is very difficult to dismiss an employee. This means that from a region of disagreement, managers move towards the average position of neither agreeing nor disagreeing to the items on the scale. In contrast is the maximum mean of 3.80 deduced from the item; there are sanctions for employees who do not obey instructions yet achieve desired results. This indicates that managers agree to this item which does nothing but stifles the initiative of employees. There are five items under this category of HRM practices.

Table 4.3.11 Item Statistics of Performance Appraisal and Management Practice

	Mean	Std. Deviation	N
In this organisation, employees are provided performance based feedback and counselling	2.70	1.043	40
The appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge	3.35	1.145	40
There are corrective measures for underperformance	3.22	.800	40
Appraisal system is growth and development oriented	3.35	.975	40
There is a well defined performance management strategy	3.02	.974	40
Retraining, redeployment and employability take precedence over downsizing	3.25	.707	40
There is regular appraisal for promotion	3.35	1.027	40

Source: Researcher's field survey 2013

Table 4.3.11 above displays the item statistics of performance appraisal and management practices of rural banks. It is indicated with a mean of 2.70 that managers neither agree nor disagree to the question that employees in their organisation are provided with performance based feedback and counselling. The researcher's observations show that

avenues for feedback and especially counselling are not available to employees. The statistics above show with a mean of 3.35 that managers neither disagree nor agree that appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge. Appraisal of employees in rural banks is regarded by many as just a formality; it has to be done so it is done to prove that the practice exists. Sharing the same mean of 3.35 are the questions; appraisal system is growth and development oriented and there is regular appraisal for promotion in the organisations. This means that managers have a neutral point of view to these practices and therefore cannot categorically state that appraisal is growth or development oriented or a regularly done for promotion purposes. All other items have a mean that gives a neutral stand to the views held by managers on whether corrective measures are available for underperforming employees; there is a well defined performance management strategy and if retraining, redeployment and employability take precedence over downsizing in their organisations.

Table 4.3.12 Summary Item Statistics on performance appraisal and management

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.179	2.700	3.350	.650	7

Source: Researcher's field survey 2013

The above table represents the summary of item statistics in connection to the viewpoints of managers on appraisal and performance management practices. The average mean of 3.18 clearly shows that averagely, managers maintain neutrality in relation to items under performance appraisal and management practices of their organisations. This means that managers neither agree nor disagree to questions asked on the subject. The minimum and maximum mean of 2.70 and 3.35 represent the item with the least agreements and the

item with the most agreements respectively. The item with the minimum mean figure; in this organisation, employees are provided performance based feedback and counselling maintains a significant level of neutrality according to managers, it also attracted the least of agreements. Indicating that feedback and counselling avenues are not available to most employees. There are two items namely, the appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge which are attracting the maximum mean.

Table 4.3.13 Item Statistics of Employee Involvement Practice

	Mean	Std. Deviation	N
Employee participation is encouraged on a wide range of issues	3.62	.838	40
Employees can exercise independent thought and action in executing their jobs	3.42	1.196	40
Adherence to instructions with little room for empowerment	3.18	.712	40
You have regular staff meetings to encourage communication with peers and supervisors	4.02	.480	40

Source: Researcher's field survey 2013

Table 4.3.13 displays item statistics of employee involvement practices within the selected organisations. There is an appreciable agreement on encouraging employees' participation on a wide range of issues and this represented by a mean of 3.62. Attracting the highest level of agreement and mean of 4.02 is the item asking if organisations have regular staff meetings to encourage communication with peers and supervisors. This means that staff meetings improve communication among employees. Items; 'employees can exercise independent thought and action in executing their jobs' and 'adherence to instructions with little room for empowerment' have mean of 3.42 and 3.18 respectively.

This means that though managers remain neutral on the two items; they lean more towards agreement on both issues.

Table 4.3.14 Summary Item Statistics on employee involvement

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.562	3.175	4.025	.850	4

Source: Researcher's field survey 2013

Table 4.3.14 represents the summary item statistics on employee involvement. The table shows an average mean of 3.56 which means that managers of rural banks lean more towards agreement to the issues broached in this category of questions. It is worthy to note that there is an element of neutrality in the average mean given even though it is skewed towards agreement. The minimum mean given as 3.18 is linked to the item; 'adherence to instructions with little room for empowerment', and the maximum mean of 4.02 is tied in to the item; 'you have regular staff meetings to encourage communication with peers and supervisors' indicating that managers agree such a practice exists in their organisations.

Table 4.3.15 Item Statistics on career planning practices of rural banks

	Mean	Std. Deviation	N
Career development is the responsibility of the employee	3.68	1.047	40
Employee's career aspirations within the organisation are discussed with immediate supervisor	2.60	1.105	40
Employees are clear about promotion possibilities	3.10	1.215	40
The organisation plans for the career and development of employees	2.88	1.436	40
Our organisation prefers an internal employee whenever a vacancy opens up	3.78	1.368	40

Source: Researcher's field survey 2013

The above table 4.3.15 gives the item statistics on career planning practices of rural banks. Managers agree that career development is the responsibility of the employee. This is represented by a mean of 3.68. This clearly indicates that managers believe it is up to the employee to become aware of personal skills, interest, knowledge, and acquire information about opportunities and choices in order to achieve career-related goals. The mean of 3.78 also shows that managers agree to and prefer internal means of filling vacancies rather than externally whenever a vacancy opens up. For questions of whether employee's career aspirations within the organisation are discussed with immediate supervisor, employees are clear about promotion possibilities and if the organisation plans for the career and development of employees, the above statistics show means of 2.60, 3.10 and 2.88 respectively. This means that managers neither agree nor disagree on the above assertions of the researcher. All these analysis portray that these organisations have little role to play in the planning the career path of employees.

Table 4.3.16 Summary Item Statistics on career planning

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.205	2.600	3.775	1.175	5

Source: Researcher's field survey 2013

Table 4.3.16 gives the summary item statistics for career planning practices. The average mean of 3.20 establishes that managers neither agree nor disagree to career planning activities. This could also mean that career planning is not a prevalent practice of these rural banks since most managers agree that career planning is the responsibility of employees. The minimum mean of 2.6 is associated with the question; 'employee's career aspirations within the organisation are discussed with immediate supervisor'. This indicates that managers agreed less to this item and therefore remained neutral in most

cases. The maximum mean of 3.78 is linked to the item asking whether the organisations prefer an internal employee whenever a vacancy opens up. The mean produced for this item depicts a high level of agreement of managers on this issue. In other words, managers prefer filling vacancies internally than externally. This category has 5 items on the scale.

4.4 Organisational Performance

Table 4.4.1 Item Statistics on the organisational performance of rural banks

	Mean	Std. Deviation	N
The organisation is not able to meet the goals it sets	2.30	.992	40
The organisation achieves its stated goals	3.78	.530	40
Work in this organisation is easier because of laid down procedures	3.42	.747	40
Each section understands the role it plays in achieving organisational goals	3.68	.474	40
The organisation functions smoothly with minimum of internal conflict	3.35	.736	40
Resources needed for proper functioning of the organisation are always available	3.05	1.131	40
The organisation is normally understaffed	2.35	.864	40
Financial supports needed are available for use	3.10	.632	40
The organisation has enough human capital to accomplish its goals	3.98	.530	40
The organisation is able to satisfy the owner(s)/shareholders	4.10	.778	40
Customers/clients' expectations are met	3.70	.853	40
We do not have problems in dealing with state and local government	3.50	.877	40
Most suppliers are happy to work with my organisation	3.70	.853	40
Employees are motivated to stay with this organisation	3.22	.891	40

Source: Researcher's field survey 2013

Table 4.4.1 is a presentation showing item statistics on the organisational performance of rural banks. From the above table, items with higher mean figures ranging from 3.50 to 4.10 indicate that managers give a strong agreement to those issues. However, the other items with lower mean figures ranging from 2.30 to 3.42 points that managers agreed less on these issues and therefore either disagreed on them or maintained a neutral stand. It can be deduced from the table that managers strongly agree that their organisations are able to satisfy the owner(s) or shareholders therefore the highest mean of 4.20 for that item. Running in contrast is the mean figure 2.30 which is for the item that seeks to determine if the organisation is not able to meet the goals it sets. This mean indicates that managers disagree that their organisations are unable to meet its set goals.

Table 4.4.2 Summary Item Statistics on organisational performance

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.373	2.300	4.100	1.800	14

Source: Researcher's field survey 2013

Table 4.4.2 shows an average mean of 3.37 for the responses given by managers in relation to organisational performance. This mean figure indicates that managers neither agree nor disagree to the issues raised on organisational performance. On the average, managers maintain neutrality on issues of organisational performance. The minimum mean of 2.3 which correspond to the item; 'the organisation is not able to meet the goals it sets', though has the least agreements means that managers believe organisations' set goals are met. The above table also gives the maximum mean of 4.10 linked to the item; the organisation is able to satisfy the owner(s) or shareholders. This is the item that has the highest level of agreement and there means that these organisations are able to satisfy

owners or shareholders. There are 14 items in this scale measuring organisational performance.

4.5 DATA PRESENTATION AND ANALYSIS FROM EMPLOYEES

Data collected from employees of the selected rural banks were processed and presented in quantitative and qualitative forms. These data were on the perceptions of employees towards HRM practices of their organisations, the effects of such practices on HRM outcomes and labour productivity.

Table 4.5.1 Item Statistics of Recruitment and Selection by Employees

	Mean	Std. Deviation	N
Advertisement are used by the bank to recruit	2.99	1.196	108
In this organisation, the selection system selects those with desired knowledge, skills and attitudes	3.31	.952	108
There is formal induction, orientation and familiarization process designed to help new recruits understand the organisation	3.81	.880	108
I prefer this organisation fills vacancy internally rather than externally	3.82	.955	108
Appointment in this organisation is based on merit	3.56	1.088	108

Source: Researcher's field survey 2013

From table 4.5.1 above, the mean figures of 3.81, 3.82 and 3.56 represent the items; 'there is formal induction, orientation and familiarization process designed to help new recruits understand the organisation', 'I prefer this organisation fills vacancy internally rather than externally and 'appointment in this organisation is based on merit'. These mean figures indicate that employees agree to these three issues raised under recruitment

and selection. The two lower mean figures of 2.99 and 3.31 representing the first two items on the use of advertisement in recruitment and selecting qualified hands demonstrates employees' neutrality on the two issues. On the average, employees neither agree nor disagree that these practices are carried out in their organisations.

Table 4.5.2 Summary Item Statistics on recruitment and selection from the viewpoint of employees

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.498	2.991	3.824	.833	5

Source: Researcher's field survey 2013

Table 4.5.2 offers an average mean of 3.49 to recruitment and selection practices of rural banks from the viewpoint of employees. This means that employees hold a neutral view to the practices of their organisations on issues related to recruitment and selection. In other words, employees on the average neither agree nor disagree to the issues in this category. The minimum mean of 2.99 related to the item asking if advertisements are used by the bank to recruit, proves that employees could not concretely agree that their organisations resort to advertisement in recruiting. The maximum mean of 3.82 pertaining to the item seeking to establish if employees prefer their organisation fills vacancy internally rather than externally, proves that employees prefer that vacancies are filled internally therefore the strong agreement to the item. There are 5 items on this scale.

Table 4.5.3 Item Statistics of Compensation and rewards of employees

	Mean	Std. Deviation	N
My salary is fair considering what other people are paid	2.87	.928	108
I am satisfied with the amount of pay and other benefits I receive	2.83	1.046	108
In this organisation, pay of employees is directly linked to performance	2.54	1.179	108
This organisation's salary and other benefits are comparable to that of similar organisations	3.12	.964	108
Good job is noticed and rewarded	2.87	1.231	108
I appreciate rewards and recognition no matter how small in this organisation	3.39	1.118	108

Source: Researcher's field survey 2013

Table 4.5.3 draws a picture on the mean figures accrued by each of the items under compensation and rewards. It can be deduced from the above that none of the items register a strong agreement. This means that employees neither agree nor disagree to any of the items on the scale. The conclusion drawn is that employees are climbing towards a not too strong agreement though neutrality is registered by the mean. Though the item; 'in this organisation, pay of employees is directly linked to performance' has a mean of 2.54, meaning neutrality; it is skewed more towards a disagreement. It is obvious that employees neither agree nor disagree to the practice of giving rewards and recognition no matter how small in their organisations. Whilst some would appreciate such a practice; others would not.

Table 4.5.4 Summary Item Statistics on compensation and rewards practices in connection to employees

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.937	2.537	3.389	.852	6

Source: Researcher's field survey 2013

From the above table 4.5.4, the average mean of 2.94 would mean that employees of rural banks do not consolidate their votes to either agree or disagree. They seem to remain neutral on the issues raised under compensation and rewards. The minimum mean of 2.54 attributed to the item 'in this organisation, pay of employees is directly linked to performance' means that employees lean towards a disagreement although a neutral ground is maintained. 3.39 is the maximum mean linked to the item which sought to ascertain whether employees appreciate rewards and recognition no matter how small in their organisations.

Table 4.5.5 Item Statistics of Training and Development for employees

	Mean	Std. Deviation	N
Extensive training programmes are provided for employees in all aspects	3.20	1.083	108
I have training opportunities to learn and grow	3.43	1.043	108
I am selected for training programmes that suit my job needs most	3.38	1.142	108
Training needs are identified through a formal performance appraisal mechanism	3.12	1.011	108
Training programmes have improved my decision making and problem solving skills	3.42	1.137	108
My communication and working relationships with co-workers have improved due to training programmes	3.43	1.146	108
I feel better equipped to tackle unexpected events with skill and confidence	3.47	1.036	108

Source: Researcher's field survey 2013

A look at the statistics from table 4.5.5, the researcher can conclude from the mean figures that none of the items put up under training and development attracted a strong agreement or disagreement. Employees took a neutral stance; neither agreeing nor disagreeing to the issues of training and development practices in their organisations. Taking the lowest mean of 3.12 and therefore the least agreements is the item calling for a stand on whether training needs are identified through a formal performance appraisal mechanism. This means that employees disagree this is the case. The only item inching towards a not too strong agreement from employees is the item indicating that employees feel better equipped to tackle unexpected events with skill and confidence.

Table 4.5.6 Summary Item Statistics on training and development of employees

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.349	3.120	3.472	.352	7

Source: Researcher's field survey 2013

The average mean of 3.35 shown in table 4.5.6 above simply means that employees have an average view of the items raised under training and development practices of their organisations. This indicates that employees neither agree nor disagree to items under training and development practices of their employers. Moreover, both minimum and maximum mean of 3.12 and 3.47 associated with the items – ‘training needs are identified through a formal performance appraisal mechanism’ and ‘I feel better equipped to tackle unexpected events with skill and confidence’ respectively register neutrality on the part of employees. This means that employees do not seem to give their support or otherwise to the either practice under training and development. They neither agree nor disagree on any point; however employees go closer to agreeing on the point that they feel better equipped to tackle unexpected events with skill and confidence.

Table 4.5.7 Item Statistics of Employment security of employees

	Mean	Std. Deviation	N
It is very difficult to dismiss an employee	2.37	1.204	108
Everyone is treated with respect at work, regardless of who they are	3.01	1.188	108
My employment is completely secured with this organisation	2.95	.990	108
If the organisation were facing economic problems, employees would be the last to get downsized	2.78	1.105	108
There is a formal, fair and reasonable process for handling grievances and complaints	2.94	1.105	108

Source: Researcher's field survey 2013

Table 4.5.7 represents item statistics of employment security for employees. The table gives the mean figures produced from the aggregate responses of employees on this item. Item establishing whether it is very difficult to dismiss an employee yielded the least mean of 2.37. This means that employees believe that it is not difficult to dismiss an employee in rural banks. All other items produced mean figures that indicate that employees on the average do not agree or disagree to the items discussed under employment security. The highest mean of 3.01 on the table is related to the item that seeks to know if every employee is treated with respect at work, regardless of who they are. Employees neither agreed nor disagreed to this question.

Table 4.5.8 Summary Item Statistics on employment security

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.809	2.370	3.009	.639	5

Source: Researcher's field survey 2013

Table 4.5.8 showing summary item statistics on employment security gives an average mean of 2.81; meaning there is no clear cut agreement or disagreement on all the items

captured under employment security. Employees do not take a concrete stand on any of the issues raised and therefore one cannot say that employees favour or do not favour such practices. The figure 2.37 represents the minimum mean attributed to the item ‘it is very difficult to dismiss an employee’. Employees’ have established that it is not difficult to dismiss and employee in their organisations. The maximum mean of 3.01 does not express a strong agreement or disagreement; it lies in-between the two poles. This mean is tied to the item which asked whether all employees are treated with respect at work, regardless of who they are and employees could not. Employees are non-aligned to any of the opposing sides.

Table 4.5.9 Item Statistics of Performance Appraisal of Employees

	Mean	Std. Deviation	N
Performance appraisal is fair in this organisation	2.56	1.210	108
There is a formal and written performance appraisal system	3.40	1.119	108
I am informed of how my performance evaluation is done	2.69	1.139	108
Performance of employees is measured on the basis of objective quantifiable results	2.87	1.086	108
The objectives of the appraisal system are clear to employees	2.83	.962	108
Appraisal system has a strong impact on individual and team performance	3.06	1.151	108
Appraisal system helps me to grow and develop my career	3.13	1.103	108
Employees are provided with performance based feedback and counselling	2.82	1.134	108
I feel performance appraisal is just a formality in this organisation	3.40	1.222	108

Source: Researcher’s field survey 2013

The table 4.5.9 above shows details on the item statistics of employee performance appraisal and management. It can be deduced from the above table that all mean figures

produced from the responses of employees register neither disagreements nor agreements for any of the items. Items; ‘there is a formal and written performance appraisal system and I feel performance appraisal is just a formality in this organisation’ both have 3.40 as mean and this indicates that employees neither assent to nor dissent to the two issues stated above. All the mean figures falling 3.50 averagely belong to neither agreement nor disagreement options. All these mean the employees do not take any resolved stand on any of the items concerned with performance appraisal and management.

Table 4.5.10 Summary Item Statistics on performance appraisal and management of employees

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.974	2.565	3.398	.833	9

Source: Researcher’s field survey 2013

The average mean shown on the table providing summary item statistics for performance appraisal and management above is 2.97. This means that on the average the responses given by employees do not fit into agree or disagree category and therefore implies that employees maintain a neutral ground on the questions. The minimum mean of 2.56 supplied by the item; performance appraisal is fair in this organisation indicates a neutrality in the stand of employees. However, this leans more towards a disagreement by the employees. The maximum mean of 3.40 is attributed to the item on ascertaining whether there is a formal and written performance appraisal system for employees, and this received an average stand too; employees neither agreed nor disagreed. However, there exists a shadow of agreement in the mean for that item.

Table 4.5.11 Item Statistics of employee participation

	Mean	Std. Deviation	N
Employees are allowed to make many decisions	2.38	1.065	108
Employees are often asked by their supervisors to participate in operations related decisions	2.66	1.015	108
Employees are encouraged to suggest improvements in the way tasks and jobs are done	2.83	1.196	108
Employees' contributions are regarded as important and taken in good faith	2.67	1.200	108
Supervisors keep open communication with employees in the organisation	3.01	1.257	108

Source: Researcher's field survey 2013

The table above gives an interesting range mean for items under employee participation. The last item which has to do with supervisor-subordinate communication registers the highest mean yet could not take side to either agree or disagree. This means that employees whereas some employees have an open communication with supervisors, others do not, hence the neutrality. The other mean catching the researcher's attention is the mean of 2.38 allocated to the item; 'employees are allowed to make many decisions'. This figure means a disagreement to the assertion and therefore means that employees are not allowed to make many decisions in rural banks. All the other items took on a cloak of neutrality. Meaning that on the average, employees neither agree nor disagree to these issues raised in the questionnaire.

Table 4.5.12 Summary Item Statistics on employee participation

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.709	2.380	3.009	.630	5

Source: Researcher's field survey 2013

Table 4.5.12 represents summary item statistics of employees' responses to questions on employee participation. The average mean of 2.71 prints a picture that gives neutrality to all the responses of employees in this category. This means that on the average, employees have no definite stance that belongs to the either of the two sides of disagreement or agreement on any of the items provided under employee participation. Minimum mean on the other hand leads to the item with the least mean of 2.38 and it is linked to the item that seeks to establish whether employees are allowed to make many decisions. Employees provided a strong disagreement to this and therefore mans that they are not allowed to make many decisions in their organisation. The maximum mean of 3.01 which is associated with the item; 'supervisors keep open communication with employees in the organisation'. Even though this item has the maximum mean it still could not make it to the agreement line. This means that employees once more neither agree nor disagree to this item.

Table 4.5.13 Item Statistics of Career Planning of employees

	Mean	Std. Deviation	N
Employees have a clear career path	2.94	1.105	108
Employee's career aspirations within the organisation are discussed with immediate supervisor	2.60	1.191	108
Employees have more than one potential position for promotion	2.62	1.074	108
Individual and organisational growth needs are matched in this organisation	2.67	1.152	108
Every employee is aware of career path in the organisation	2.54	1.164	108

Source: Researcher's field survey 2013

Table 4.5.13 displays the mean collected by each and every item under career planning for employees. The item statistics show that employees have no definite opinion on any

of the questions asked. The item with the highest mean of 2.94; ‘employees have a clear career path’ connotes neutrality from the viewpoint of employees. Whilst some employees are sure of their career path in their organisations others are not; bringing about the average opinion expressed. Employees again, neither agree nor disagree to these; employee’s career aspirations within the organisation are discussed with immediate supervisor, employees have more than one potential position for promotion, individual and organisational growth needs are matched in this organisation and every employee is aware of career path in the organisation. It is worthy to note that though employees have an idea about the career paths they wish to chart, they seem not to be aware of what their organisations offer in connection to their careers.

Table 4.5.14 Summary Item Statistics on career planning

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.672	2.537	2.935	.398	5

Source: Researcher’s field survey 2013

Summary item statistics for career planning practices is shown in table 4.5.14 above. The average mean of 2.67 testifies that the responses to given by the employees to questions on career planning do not take definite positions. On the average, employees neither express approval or disapproval of any of the practices of their organisations on career planning. The question; every employee is aware of career path in their organisation received the minimum mean of 2.54 and this means that on the average, employees cannot state that is the case or not with their organisations. The maximum mean of 2.94 traced to the item; employees have a clear career path had responses from employees that could neither qualify for agreement or disagreement. Interestingly employees have clear

career paths but are not aware of career paths the rural banks they work for have to offer them.

4.6 Effects of HRM Practices on Motivation, Job Satisfaction and Organisational Commitment

Table 4.61 Item Statistics on motivation and job satisfaction from the viewpoint of employees

	Mean	Std. Deviation	N
When things go well with your job, your contribution is often recognized	3.07	1.117	108
I am satisfied with the freedom to take initiatives with how my job is done	2.80	1.048	108
My job comes with independent thought and action	2.93	1.065	108
I am satisfied with the pay I receive for my job	2.76	1.143	108
I am satisfied with the employment security the organisation offers me	2.70	1.146	108
The employment security offered by the organisation allows me to be innovative and initiative with job related issues	2.81	1.051	108
I am motivated to work harder	3.06	1.130	108

Source: Researcher's field survey 2013

Table 4.6.1 relates to item statistics on motivation and job satisfaction from the viewpoint of employees. The items in the above table seek to measure the effectiveness of HRM practices on outcomes such as motivation and job satisfaction. Items; 'when things go well with your job, your contribution is often recognized' and 'I am motivated to work harder' recorded the highest mean of 3.07 and 3.06 respectively. This means that employees do not give a decided view on these items and therefore remain neutral. The critical issue of satisfaction with pay received for ones job and employment security offered by the organisations received average responses shown by the mean of 2.76 and

2.70 respectively. None of the other items produced either an agreement or disagreement in connection with employees' responses.

Table 4.6.2 Summary Item Statistics on motivation and job satisfaction of employees

	Mean	Minimum	Maximum	Range	N of Items
Item Means	2.877	2.704	3.074	.370	7

Source: Researcher's field survey 2013

Table 4.6.2 presents the summary item statistics on motivation and job satisfaction from the perspective of employees in rural banks. The average mean of 2.88 simply means that aggregate responses from employees on the items produce an average position. That is, employees neither agree to nor disagree to the issues raised under this category of questions. The minimum of 2.70 which linked to the statement, 'I am satisfied with the employment security the organisation offers me' takes the path of neutrality; meaning, employees have average opinions that neither agree nor disagree on satisfaction with employment security. Maximum mean 3.07 related to the item; 'when things go well with your job, your contribution is often recognized'. This figure means that employees are not altogether satisfied or otherwise with the level of employment security their employers offer thus the average responses given.

Table 4.6.3 Item Statistics on organisational commitment of employees

	Mean	Std. Deviation	N
I am willing to put in a great deal of effort in order to help this organisation be successful	3.86	1.036	108
I feel very little loyalty towards this organisation	2.63	1.257	108
This organisation inspires the very best in me in terms of my job	2.98	1.176	108
I would accept almost any type of job assignment in order to keep working for this organisation	3.53	1.123	108
There is much to be gained from sticking with this organisation indefinitely	2.76	1.206	108
It will take very little change in my present circumstances to cause me to leave this organisation	3.18	1.317	108

Source: Researcher's field survey 2013

Table 4.6.3 gives an interesting item statistics on organisational commitment from the position of employees of rural banks. The items with the highest mean of 3.86 and 3.53 relate to the statements; 'I am willing to put in a great deal of effort in order to help this organisation be successful' and 'I would accept almost any type of job assignment in order to keep working for this organisation' respectively. The figures related to the above-named items means that employees are in agreement to what the two statements provide and hence the researcher can confidently state that employees of rural banks have a strong sense of loyalty towards their employers. However, an average view is expressed by employees on the statement 'this organisation inspires the very best in me in terms of my job'. This is shown by the mean of 2.98. Interestingly, employees show by their responses that, on the average, it will take very little change their present circumstances to cause them to leave their organisation and this neutral stance is shown in the mean of 3.18. Again, the least mean of 2.63 connected to the statement - I feel very little loyalty towards

this organisation, gives no concrete assent to the above statement. Employees chose to neither agree nor disagree to this. Slightly negating the level of employees' commitment towards their organisations is the mean of 3.18 accrued by the item; 'It will take very little change in my present circumstances to cause me to leave this organisation' which leaning towards an agreement that employees have a high tendency to leave to other organisations. A position of neutrality can be said for the item; 'there is much to be gained from sticking with this organisation indefinitely', meaning employees on the average do not take a definite stance on this very question.

Table 4.6.4 Summary Item Statistics on organisational commitment

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.156	2.630	3.861	1.231	6

Source: Researcher's field survey 2013

Table 4.6.4 provides summary item statistics on organisational commitment. This table gives an average mean of 3.16 indicating that employees though their responses maintain a neutral position on the issues advanced under commitment towards the organisations in question. The average mean on the table also indicates on the average employees expressed neither agreement nor disagreement to the items. The minimum mean of 2.63 is associated with the item; 'I feel very little loyalty towards this organisation' and this means that employees have an average view of this statement; they neither associate with it nor dissent to it. The maximum mean of 3.86 shows an agreement of the employees to the first item on the scale; 'I am willing to put in a great deal of effort in order to help this organisation be successful'. This obviously shows that employees are more willing to go the extra mile for the organisation to achieve its goals.

4.7 Labour Productivity

Table 4.7.1 Item Statistics on labour productivity

	Mean	Std. Deviation	N
My relationship with my supervisor is a harmonious one	3.39	.874	108
My relationships with members of my work group are cordial as well as professional	3.56	.899	108
The goals of this organisation are clearly known to me	3.41	1.014	108
I understand the purpose of this organisation	3.64	.901	108
I have enough input in deciding my work unit goals	3.06	1.084	108
I am personally in agreement with the stated goals of my work units	3.30	.998	108
The priorities of this organisation are understood by its employees	3.45	1.008	108
Other work units are helpful to my work unit whenever assistance is requested	3.30	1.170	108
I have the information that I need to do a good job	3.76	.956	108

Source: Researcher's field survey 2013

Table 4.7.1 represents the item statistics on labour productivity as perceived by employees. Items; 'My relationships with members of my work group are cordial as well as professional', 'I understand the purpose of this organisation', and 'I have the information that I need to do a good job' register agreements from employees as shown by mean figures of 3.56, 3.64 and 3.76. This means that employees share the opinion that the above statements are the case in rural banks. With mean figures of are the items; 'I am personally in agreement with the stated goals of my work units' and 'other work units are helpful to my work unit whenever assistance is requested' both recorded a mean of 3.30 each. This gives an impression of neutrality; meaning, on the average, employees neither agree nor disagree to the two statements with the mean of 3.30. All other items

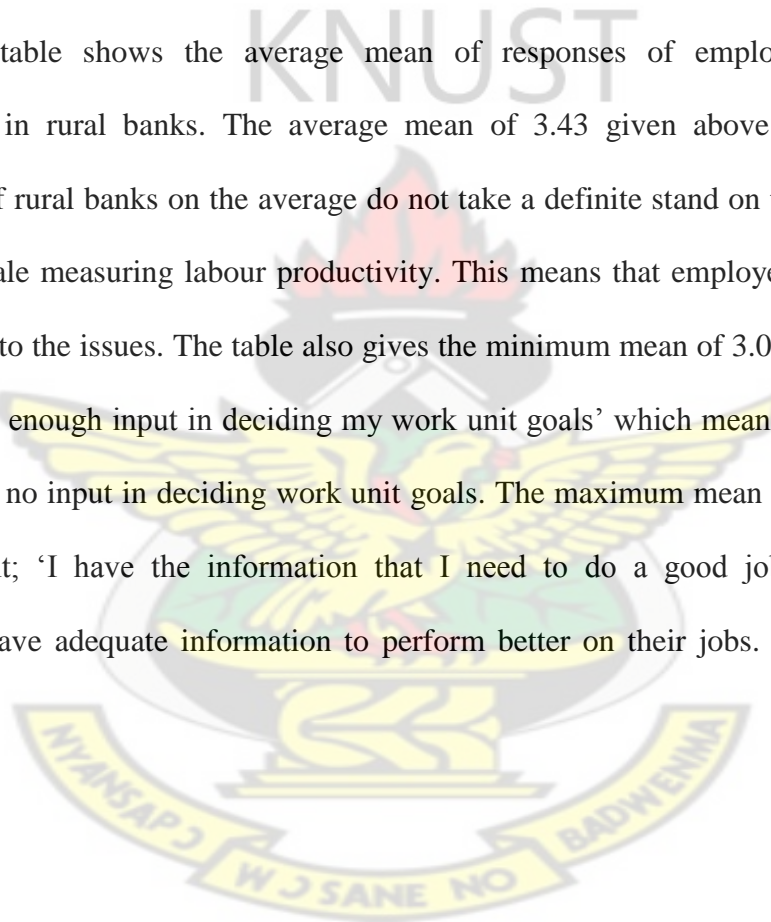
presented in this category accrued responses that on the average amount to neutrality but inch closer to agreement, rather than disagreement.

Table 4.7.2 Summary Item Statistics on labour productivity

	Mean	Minimum	Maximum	Range	N of Items
Item Means	3.429	3.056	3.759	.704	9

Source: Researcher's field survey 2013

The above table shows the average mean of responses of employees on labour productivity in rural banks. The average mean of 3.43 given above means that the employees of rural banks on the average do not take a definite stand on the issues put up under the scale measuring labour productivity. This means that employees neither agree nor disagree to the issues. The table also gives the minimum mean of 3.06 assigned to the item; 'I have enough input in deciding my work unit goals' which means that employees have little or no input in deciding work unit goals. The maximum mean of 3.76 linked to the statement; 'I have the information that I need to do a good job' provides that employees have adequate information to perform better on their jobs. This, employees agree to.



4.8 Impact of HRM practices on the achievement of organisational goals

Table 4.8.1 correlation of HRM practices with achievement of stated organisational goals.

		The organisation achieves its stated goals
Appointment in this organisation is based on merit	Pearson Correlation	.735**
	Sig. (2-tailed)	.000
	N	40
Applicants are fully informed about the qualification required to perform the job before being hired	Pearson Correlation	.441**
	Sig. (2-tailed)	.004
	N	40
Pay for performance improves performance	Pearson Correlation	.002
	Sig. (2-tailed)	.992
	N	40
Compensation packages encourage employees to achieve organisation's objectives	Pearson Correlation	.144
	Sig. (2-tailed)	.376
	N	40
Training needs are discussed with employees	Pearson Correlation	.580**
	Sig. (2-tailed)	.000
	N	40
There is a training strategy and coherent training programme	Pearson Correlation	.667**
	Sig. (2-tailed)	.000
	N	40
Employees are assured of long term future with the organisation	Pearson Correlation	-.009
	Sig. (2-tailed)	.958
	N	40
There are sanctions for employees who do not obey instructions yet achieve desired results	Pearson Correlation	-.282
	Sig. (2-tailed)	.078
	N	40
In this organisation, employees are provided performance based feedback and counseling	Pearson Correlation	.385*
	Sig. (2-tailed)	.014
	N	40
The appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge	Pearson Correlation	.429**
	Sig. (2-tailed)	.006
	N	40
Employee participation is encouraged on a wide range of issues	Pearson Correlation	.036
	Sig. (2-tailed)	.825
	N	40
Employees can exercise independent thought and action in executing their jobs	Pearson Correlation	.761**
	Sig. (2-tailed)	.000
	N	40

Con't Table 4.8.1 correlation of HRM practices with achievement of stated organisational goals.

Career development is the responsibility of the employee	Pearson Correlation	.280
	Sig. (2-tailed)	.080
	N	40
Employee's career aspirations within the organisation are discussed with immediate supervisor	Pearson Correlation	.324*
	Sig. (2-tailed)	.042
	N	40

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Researcher's field survey 2013

Table 4.8.1 represents the correlation of the first two items on each HR practice and the influence or impact they have on the organisations ability to achieve its stated goals. The table gives an indication that “appointment in this organisation is based on merit” has a high Pearson correlation with “the organisation achieves its stated goals” with a value of .735. This can be interpreted to mean that the appointment of workers based on merit has a positive impact on the organisations ability to achieve its goals and therefore an improvement in the appointment practice based on merits will account for the rural banks achieving their stated goals more often. The item also has a very high level of significance.

”Applicants are fully informed about the qualification required to perform the job before being hired” also has a medium correlation with the ability of the bank to achieve its stated goals with a Pearson correlation of .441. It can therefore be said that applicants knowing what qualification is required for the job attracts competent workers to the organisations which impacts on the banks ability to achieve its target. The relationship is also significant.

From the discussions above, it can be said that, “training needs are discussed with employees”; “there is a training strategy and coherent training programme”; “employees

can exercise independent thought and action in executing their jobs” have a positive correlation with the banks’ ability to achieve its goals. There exist large correlations or relationship between these items and the banks’ ability to achieve its goals with Pearson correlation of above .5 for each. This therefore means that as the banks improve the performance of these items, the ability of the banks to achieve their goals will significantly increase.

“The appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge” also has a medium Pearson correlation with the banks’ ability to achieve its goals.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

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.

The study examined the HRM practices of rural banks and its impact on organisational performance of these banks in the Ashanti region. Responses from both managerial and non-managerial staff indicate similar and in some cases divergent views on HRM practices of rural banks. Though research has established concretely that HRM practices have positive impact on employee productivity leading to improved organisational performance, rural banks, from evidence gathered are yet to benefit from the proper management of their human resources and even when they do, it is just minimally.

5.1 Research Findings

The following are the summary of research findings.

5.1.1 General HRM Practices of Rural Banks

1. Recruitment and Selection Practices

It is evident from the research findings that rural makes recruit from two sources; internal and external sources. Recruitment from external sources though very often is given little advertisement or none at all. External recruitment is done through personal recommendations from top management who usually choose candidates for their friendship and blood relationships. On the other hand, internal recruitment which requires

filling vacancies through promotions, transfers and upgrading is used by these banks as a means of selecting employees to fill vacancies. These activities are centralised and line managers have little or no role to play in the recruitment and selection process of these rural banks. The rural banks however, make it point to have formal induction, orientation and familiarisation process for new recruits which are very important and rewarding practices. It is worth noting that most appointments are based on merit in these organisations.

2. Compensation (Pay) and Rewards

Managers claimed that as a practice, employees are rewarded based on performance, but the research proved otherwise. Pay for performance as a driver for improved performance, is gradually seeping into the compensation and rewards practices of rural banks. Research findings prove that this has been incorporated into profit sharing and bonus payment structure of some of these rural banks. This aspect of HR is a centralised activity carried put at the head office.

3. 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 rural banks minimises the benefits and rather creates adverse effects on employee performance leading to reduced organisational performance. Most rural banks do not have training strategies and coherent training programmes and therefore give 'wholesale' training programmes to their employees and this means that training and development programmes do not incorporate the interest of individual employees. Training needs are neither identified through formal performance appraisal nor discussed with employees and thus training needs identified is mostly unrealistic and not based on business strategy.

It is the practice of rural banks to dedicate budgets to training and development of employees every year.

4. Employment Security

Employment security as an HRM policy is new in the rural banking circles. The concept is new to most managers and employees and as such its practice is not prevalent in the rural banking sector. However, the little understanding of this concept has given rise to practices like assurance especially to valued employees of long term future with the bank. On the other hand, there seem not to be formal, fair and reasonable process for handling grievances and complaints. Again, there are sanctions for employees who do not obey instructions yet achieve desired results.

5. Performance Appraisal and Management

Another important HR function is performance appraisal and management. The practice of appraising employees is common with rural banks; at least it is a yearly affair with all the rural banks selected for the study. 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 rural banks. Performance management which has also yet to gain roots in the HRM field is fictional in rural banks and as such underperformance is not given the needed attention for corrective measures.

6. Employee Participation (Voice)

To enhance communication and employee involvement, regular staff meetings are held. This practice is further boosted with the encouragement of employees to suggest improvements in the way tasks and jobs are done. However, negating all these is the fact that employees are not allowed to make many decisions and in most cases adherence to instructions with little room for empowerment in the less critical issues. This practice kills initiatives and innovation.

7. Career Planning

It is interesting that in this day and age, career development is made the responsibility of employees alone. Avenues are not created for employees to discuss career aspirations within the organisation with immediate supervisors. It is not the practice of these rural banks to neither, plan for the career and development of employees nor match individual and organisational growth needs. It is up to the employees to become aware of personal skills, interest, knowledge, and acquire information about opportunities and choices in order to achieve career-related goals. Most employees of these rural banks are not aware of career path in these organisations.

5.1.2 Perceptions of Employees on HR Practices, Policies and Programmes of Rural Banks

The rural banks selected for the study in the Ashanti region have HRM practices and programmes that run through all rural banks. The following are the general HRM practices.

1. Recruitment and Selection

Employees do not strongly believe that their organisations' 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. The use of advertisements in recruiting is not the norm as top management recommend candidates that are either friends or blood relations. It therefore, does not come as a surprise to find out that line managers have little or no role to play in the recruitment and selection process of these rural banks because such activities are left in the hands of board of directors and general managers. Employees believe that appointments in the rural banks are based on merit. They also argue that it is better to recruit internally in order to motivate employees.

2. 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.

3. Training and Development

One disturbing finding was that training needs are not discussed with employees of rural banks 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 rural banks 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. The researcher, as an observer-participant can say that employees have average views of the training and development practices of their employers. 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.

4. Employment Security

Findings of this study has it that though managers believe that employees are assured of long term future with their organisations, employees disagree because they believe it is not difficult to dismiss an employee of a rural bank and thus their employment is not completely secured with their organisations. Interestingly, managers could not say categorically that it is difficult to dismiss an employee of a rural bank. The research also found out that one of the most potent killers of initiative and innovation; ‘sanctions for employees who do not obey instructions yet achieve desired results’ exists in rural banks. Employees had an average view of the statement; ‘every employee is treated with respect at work, regardless of who they are’ and this was confirmed through informal interactions with some employees. Employees could not confidently agree or disagree that there is a formal, fair and reasonable process for handling grievances and complaints.

5. Performance Appraisal and Management

Most employees of rural banks 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 banks' appraisal systems. To employees, performance management is in effect not practiced.

6. Employee Participation (Voice)

Employees of rural banks hold the perception that all decisions even the less crucial ones should be taken with the consent of top management. This perception is fuelled by the fact that, in some rural banks, there are sanctions for employees who do not obey instructions and yet achieve desired results. There is more of adherence to instructions with little room for empowerment. Employees have always lived with the notion that their contributions are not regarded as important and taken in good faith, they do not feel encouraged to even suggest improvements in the way tasks or jobs are done. Another interesting finding is that feedback is fictional in these organisations and again communication is most of the time on formal grounds.

7. 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. Employees therefore do not find it worthwhile to discuss career aspirations within their organisations with immediate

supervisors since it would not yield any desired results and might even create conflict and tension. A thriving perception held by employees is that promotions are based more on favouritism rather than performance. This, the researcher believes is due to the fact that most employees are not aware of potential positions for promotion and how or what go into these promotions.

The findings also provided that there are some policies and practices that are yet gain footing in the HRM practices of these rural banks. Practices such as employee involvement, employment security and performance management.

5.1.3 Labour Productivity and Organisational Performance of Rural Banks

This research on productivity and organisational performance of the selected rural banks produced the following findings.

5.1.3.1 Generally, rural banks are not able to meet the organisational goals they set; however, managers admitted they are able to achieve some goals. This, according to the findings is attributed to how jobs and tasks are carried out with little or no room for innovations. Again, employees are personally not in agreement with the stated goals of their work units and this brings to mind employee involvement.

5.1.3.2 Reduced productivity is also attributed to the fact that resources, support and feedback needed for the proper functioning of the organisations are not always available.

5.1.3.3 Conflicts are common in organisations where there is no formal, fair and reasonable process for handling grievances and complaints. Such organisations tend to quell such conflicts and tensions but underneath, is a time bomb readying itself to explode. Clearly, teams and individuals are not

able to give off their best when there is no avenue to have grievances resolved.

5.1.3.4 It is obvious that when square pegs are fitted into round holes nothing better should be expected. With nepotism, favouritism and cronyism commonplace in the recruitment and selections processes of rural banks, it is not surprising that most rural banks are not performing as expected. Nepotism does not only erode professionalism, it costs organisations and detract organisational effectiveness when people recruited on these lines fail to perform to meet stated goals.

5.1.4 Impact of Properly Managed Human Resources on Organisational Performance

Studies have extensively shown that the proper management of human resources through sound and effective HR practices, policies and programmes can positively improve organisational performance. This research found nothing to the contrary. Should rural banks resort to the proper management of their human resources and not leave that function to directors and non-HRM experts, a great impact would be made on organisational performance.

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 performance improves as a result of maintaining a committed, motivated and high performing workforce. This activity should be backed by a succession plan which is able to accurately predict future abilities of existing human resource and future human resource requirements.

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. Well trained and developed employees identify and are committed to their organisations. On the other hand, inadequate training resulting in poor performance reviews can create employee dissatisfaction and conflict.

This research finding has it that, rural banks can improve organisational performance through increased labour productivity by the use of compensation and rewards systems that recognises and rewards performance. Compensation policies, structures and procedures should be able to bring out the best in employees and motivate underperforming employees to improve performance. Compensation structures should also incorporate non-financial benefits that provide intrinsic and extrinsic motivation.

The research also revealed that employee performance can be sustained to impact on organisational performance by maintaining appraisal and performance management systems that develop the employee and increases employee commitment and satisfaction. When this happens, productivity is boosted to match external competition and improve organisational performance. Planning performance, appraising performance, providing appropriate feedback and counselling employees can greatly improve performance. Performance management develops individual and teams who in turn impact on organisational performance.

Studies have emphasised the significant correlation between employment security and organisational performance. This study revealed that apart from employment security opening up the doors for employees' free contribution of knowledge and efforts at

enhancing productivity; it also eggs on employees to take a longer-term perspective on their jobs and organisational performance. This study also held that maintaining employment security over a long period of time yields innovativeness, trust and cooperation all of which improve organisational performance.

Imagine an organisation where employees are regarded as automatons; with no say in even issues affecting their jobs or work. Such an organisation will not realise the full potential of its employees, let alone be efficient and effective. This research revealed that employee voice or participation ensures that employees share in the stated goals of the organisation and therefore will do anything in their power to achieve them. It was also found out that there comes improved organisational decision-making and problem solving capabilities, creativity, commitment, empowerment, job satisfaction and motivation which will lead to increased productivity across the organisation.

A finding of this study shows that organisational performance can greatly be improved if rural banks could incorporate into human resource management functions the practice of job designing. Through job design, organisations try to raise productivity levels by offering non-monetary rewards such as greater satisfaction from a sense of personal fulfilment in meeting the challenging responsibilities of one's work. Job enlargement, enrichment, rotation, simplification can be used to elicit flexibility and productivity which will impact on organisational performance. Rural banks can resort to secondment, mentoring and coaching to bring about efficiency and organisational effectiveness.

Additionally, this study found out that the proper management of human resources through career planning can greatly impact on the organisational performance of rural banks. Rural banks introduce this HRM practice that has to do with the identification of needs, aspirations and opportunities for employees' career; develop and implement HR

programmes to support that career. If rural banks would maintain a well planned career development system with internal advancement opportunities based on merit, motivation among employees will be high and have an impact on organisational performance.

This research found out the practices such as merit-based appointments, providing training strategy and coherent training programmes, the exercising of independent thought and action in executing employees' jobs, and the use of appraisal data for decisions related to promotion, job rotation, training, compensation, transfer and discharge all have medium to high positive impact on the banks ability to achieve stated goals.

5.1.5 Other Findings

This research also revealed that most of these rural banks have neither a department dedicated to the practice of HRM nor HR experts to handle such functions as part of administrative responsibilities. Board directors and general managers are the only people who call the shots when it comes to HR decisions and HRM functions; from the recruitment of an employee to the dismissal or retirement of that employee. They only delegate the less crucial functions to the line managers who might not be HR experts themselves. Although some of these rural banks have HR polices that could stand the test of time, they are regarded as administrative documents only referred to when an employee needed to be sanctioned.

It was also found out that, employee motivation and job satisfaction is at its lowest ebb. This can be seen in the level of organisational commitment employees have towards the rural banks have work for. Employees feel little loyalty towards the organisations and feel that there is not much to be gained from sticking with these organisations selected for this

study. Most employees admitted that, it will take very little change in their present condition to cause them to leave these rural banks.

5.2 Conclusion

This research has provided an overview and a discussion of HRM practices of rural banks. It chiefly focused on perception of employees on HRM practices, policies and programmes and the impact of such HR practices on organisational performance. The purpose was to critically evaluate the perceptions of employees on HRM practices and establish the impact of properly managing human resources on organisational performance. Seven HR practices, policies and programmes were laid bare before managers and employees for critical scrutiny. This process produced results that indicated that rural banks needed to pay much more attention to the proper management of their human resources in order to realise their full potential and create competitive advantage through them.

In a nutshell, this study has been conducted in rural banks and concluded that the proper management of human resources has enormous impact on organisational performance. Management of these banks 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 these banks will create and sustain competitive advantage and improve organisational performance. It is imperative for the rural banks to ensure that investment in their human resources and HRM practices will attract and retain talented people.

5.3 Recommendations

It was found that out of the four banks only one had a department dedicated to HR functions and activities. As such it is recommended for rural banks to dedicate a

department to the proper management of their human resources and employ the services of an HR expert to plan, implement and manage these HR functions.

5.3.1 Recruitment and Selection

From all indications, the implementation and the management of human resources by non-HR experts has damaging implications. It was found out that HR functions like recruitment and selection were left in the hands of directors and general managers and this opens the recruitment and selection processes up to nepotism, cronyism and favouritism. Starting with recruitment and selection, it is recommended that people HR expertise with the help of line managers are made to carry out these activities so that people with the appropriate skills, attitudes and knowledge are hired. This will ensure professionalism and institutionalism in the activities of rural banks.

5.3.2 Training and Development

This research revealed that the ‘wholesale’ nature of training and development programmes of rural banks do not permit the full realisation of the benefits of the practice. It is therefore recommended that there should be 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 Employee Participation and Employment Security

Additionally, employee involvement should be touted the more to get employees to participate more and better in decisions that affect their jobs. Such an environment will

automatically create employment security and unveil innovativeness and potentials of employees. Furthermore, providing feedback, counselling and grievance handling avenues will reduce conflicts and tension.

This research also revealed that employee participation is not a common practice with rural banks. The research also established that the strict, rigid and unbending kind of environment employees find themselves in limits employee voice and affects employment security. It is thus recommended that in order to bring out the best in employees, sanctions should not be attached to initiatives and employees' contributions should be regarded as important and taken in good faith. HR managers should understand team dynamics and find ways to bring disparate personalities together and make it a point to encourage team work and team spirit.

5.3.4 Compensation and Rewards

Furthermore, the research revealed that there is an overwhelming support for pay for performance from both employees and managers. 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.

5.3.5 Career Planning

The research findings show that management of rural banks do not have so much interest in the career development of employees. Career planning is made the sole responsibility of employees. The researcher recommends that a career development plan that focuses on the employees' needs for growth and development are instituted. Organisations can provide the assistance that will give the employee the opportunity to grow his or her career.

Again, it is recommended that employees are made aware of potential positions for promotions. Management must also base promotions on performance.

5.3.6 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 rural banks adopt this form of appraising and encourage managers 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. Performance appraisal simply, is all about individuals and their managers having regular, quality conversations.

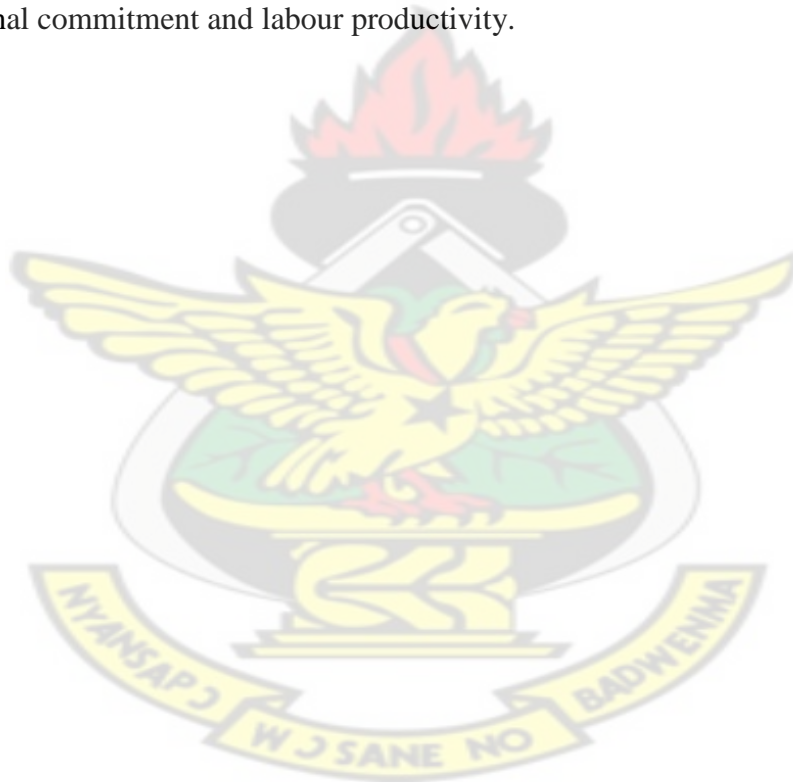
For performance management to work, it is recommended that focus is directed on the results that the rural banks are aiming to achieve and a recognition that the individual employees need to engage with those aims. Research has also shown that engaged staff are far more likely to be productive, committed 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 rural banks 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 rural banks in the Ashanti region. Further research conducted into the HR practices of all rural banks 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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APPENDICES

APPENDIX 1

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI**

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGERIAL SCIENCE

QUESTIONNAIRE ON THE IMPACT OF HRM PRACTICES ON ORGANISATIONAL PERFORMANCE

This survey is meant to collect relevant information from selected staff to aid in the assessment of the impact of HRM practices on organisational performance. The information required is strictly for academic purpose and any information provided would be treated with the utmost confidentiality and shall be used only for the intended purpose. Your candid opinion is highly solicited. It will be much appreciated if you could spare some minutes to complete this questionnaire.

Thank you.

Please respond to the questions below by ticking (✓) the right option.

1. Gender: (a) Male [] (b) Female []
2. Age (in years). 20 – 30 [] 31 – 40 [] 41 – 50 [] 51 – 60 [] 61 and above []
3. Marital status: Single [] Married [] Divorced []
4. Highest level of education. Please tick (✓)
Master's Degree [] First Degree [] HND [] Others (specify)
5. How many employees are in your organisation?
0-5 [] 6-29 [] 30-99 [] 100 and above []
6. What type of organisation /industry are you in? Banking [] Others [] Specify:
7. Job title

Section 2 – HRM Practices

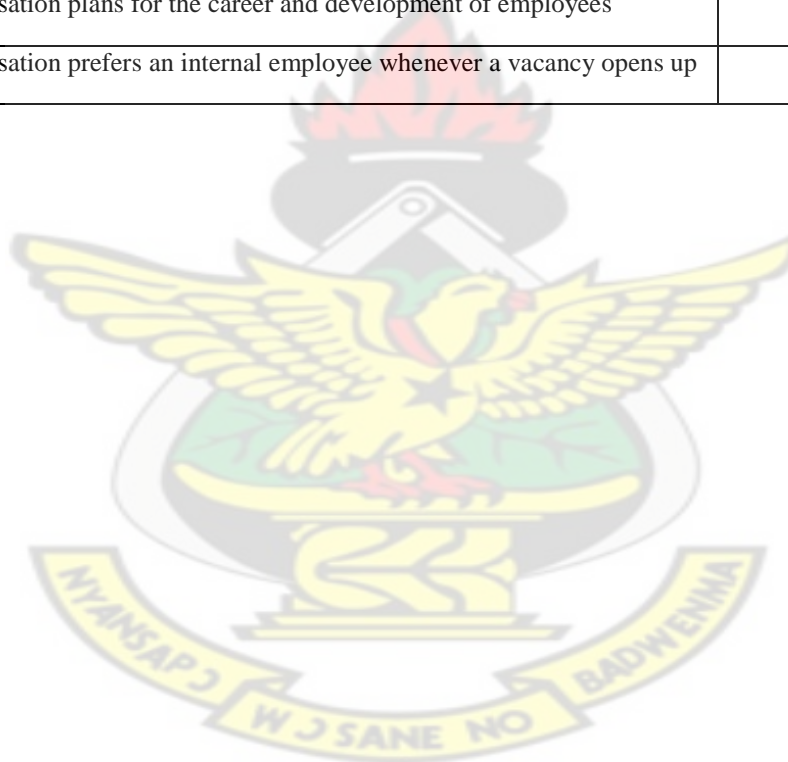
1. Does your bank have a department dedicated to Human Resource? Yes()
No()
2. How does your Bank execute and manage the following HR practices;
 - a. Centralised (C) OR b. executed and managed by line managers (LM)
 - i. Recruitment and selection (.....)
 - ii. Training and development (.....)
 - iii. Compensation (.....)
 - iv. Performance Appraisal/Management (.....)
 - v. Employee Participation (.....)
 - vi. Career planning (.....)

1	2	3	4	5
Strongly Disagree (SA)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)

Using the scale above (1 – 5) please tick (√) the levels of agreement in each of the items below with regards to the HRM practices of your bank	SA	A	N	DA	SD
	1	2	3	4	5
3. Recruitment and Selection					
Appointments in this organisation is based on merit					
Applicants are fully informed about the qualifications required to perform the job before being hired					
Advertisements are used by the bank to recruit					
There is formal induction, orientation and familiarisation process designed to help new recruits understand the organisation					
In this organisation, line managers and HR managers participate in the selection process					
Selection system selects those having the desired knowledge, skills and attitude					
Vacancies are filled from qualified employees internally					
7.Compensation (Pay) and Rewards					
Pay for performance improves performance					
Employees are rewarded based on performance					

Compensation packages encourage employees to achieve organisation's objectives					
Employees are recognised and rewarded appropriately in this organisation					
Profit sharing/bonuses are used as a mechanism to reward higher performance.					
Job performance is an important factor in determining the incentive compensation of employees					
8. Training and Development					
Training needs are discussed with employees					
There is a training strategy and coherent training programme					
Training incorporates the interests of the organisation as well as the individual					
Training needs identified are realistic, useful and based on the business strategy of the organisation					
Every employee goes through various training programmes every year					
There is a budget dedicated to training and development every year					
9. Employment Security					
Employees are assured of long term future with the organisation					
There are sanctions for employees who do not obey instructions yet achieve desired results					
There is a formal, fair and reasonable process for handling grievances and complaints					
If the organisation were facing economic problems, employees would be the last to get downsized					
It is very difficult to dismiss an employee					
10. Performance Appraisal and Management					
In this organisation, employees are provided performance based feedback and counselling					
The appraisal data is used for decision making like promotion, job rotation, training, compensation, transfers and discharge					
There are corrective measures for under-performance					
Appraisal system is growth and development oriented					
There is a well-defined performance management strategy					
Retraining, redeployment and employability take precedence over downsizing					
There is regular appraisal for promotion					

11. Employee Involvement					
Employee participation is encouraged on a wide range of issues					
Employees can exercise independent thought and action in executing their jobs					
Adherence to instructions with little room for empowerment					
You have regular staff meetings to encourage communication with peers and supervisors					
12. Career Planning					
Career development is the responsibility of the employee					
Employee's career aspirations within the organisation are discussed with immediate supervisor					
Employees are clear about promotion possibilities					
The organisation plans for the career and development of employees					
Our organisation prefers an internal employee whenever a vacancy opens up					



Section 3: Performance

From the statements below indicate your level of agreement or disagreement.

1=Strongly Disagree 2=Disagree 3= Neutral 4=Agree
5=Strongly Agree

	1	2	3	4	5
The organisation is not able to meet the goals it sets					
The organisation achieves its stated goals.					
Work in this organisation is easier because of laid down procedures					
Each section understands the role it plays in achieving organisational goals.					
The organisation functions smoothly with a minimum of internal conflict					
Resources needed for proper functioning of the organisation are always available.					
The organisation is normally understaffed					
Financial supports needed are available for use.					
The organisation has enough human capital to accomplish its goals					
The organisation is able to satisfy the owner(s) /shareholders.					
Customers/clients' expectations are met					
We do not have problems in dealing with state and local government.					
Most suppliers are happy to work with my organisation.					
Employees are motivated to stay with this organisation.					

Thank you for participating

Appendix 2

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGERIAL SCIENCE

QUESTIONNAIRE ON THE IMPACT OF HRM PRACTICES ON

ORGANISATIONAL PERFORMANCE

This survey is meant to collect relevant information from selected staff to aid in the assessment of the impact of HRM practices on organisational performance. The information required is strictly for academic purpose and any information provided would be treated with the utmost confidentiality and shall be used only for the intended purpose. Your candid opinion is highly solicited. It will be much appreciated if you could spare some minutes to complete this questionnaire.

Thank you.

1. Gender: (a) Male [] (b) Female []
2. Age (in years). Please tick (✓)
20 – 30 [] 31 – 40 [] 41 – 50 [] 51 – 60 [] 61 and above []
3. Marital status: Single [] Married [] Divorced []
4. Highest level of education. Please tick (✓)
Master's Degree [] First Degree [] HND [] SSCE/ WASSCE [] Others
(specify)
6. What type of organisation /industry are you in? Banking [] Others (specify):....
9. What type of employment contract do you have? Please tick (✓)
Permanent Full Time [] Part-time [] Contract [] Temporal []

1 Strongly Disagree (SA)	2 Disagree (D)	3 Neutral (N)	4 Agree (A)	5 Strongly Agree (SA)	
Using the scale above (1 – 5) please tick (√) the levels of agreement in each of the items below with regards to the HRM practices of your bank					
	SA	A	N	DA	SD
	1	2	3	4	5
1. Recruitment and Selection					
Advertisements are used by the bank to recruit					
In this organisation, the selection system selects those with the desired knowledge, skills and attitudes					
There is formal induction, orientation and familiarisation process designed to help new recruits understand the organisation					
I prefer this organisation fills a vacancy internally rather than externally					
Appointments in this organisation is based on merit					
2. Compensation (Pay) and rewards					
My salary is fair considering what other people are paid					
I am satisfied with the amount of pay and other benefits I receive					
In this organisation, pay of employees is directly linked to performance.					
This organisation's salary and other benefits are comparable to that of similar organisations					
Good job is noticed and rewarded					
I appreciate rewards and recognition no matter how small in this organisation					
3. Training and Development					
Extensive training programmes are provided for employees in all aspects.					
I have training opportunities to learn and grow.					
I am selected for training programmes that suit my job needs most					
Training needs are identified through a formal performance appraisal mechanism					
Training programmes have improved my decision making and problem solving skills					

My communication and working relationships with co-workers have improved due to training programmes					
I feel better equipped to tackle unexpected events with skill and confidence.					
4. Employment Security					
It is very difficult to dismiss an employee					
Everyone is treated with respect at work, regardless of who they are					
My employment is completely secured with this organisation					
If the organisation were facing economic problems, employees would be the last to get downsized					
There is a formal, fair and reasonable process for handling grievances and complaints					
5. Performance Appraisal					
Performance appraisal is fair in this organisation					
There is a formal and written performance appraisal system					
I am informed of how my performance evaluation is done					
Performance of employees is measured on the basis of objective quantifiable results					
The objectives of the appraisal system are clear to employees					
Appraisal system has a strong impact on individual and team performance					
Appraisal system helps me to grow and develop my career					
Employees are provided with performance based feedback and counselling					
I feel performance appraisal is just a formality in this organisation					
6. Employee Participation (Voice)					
Employees are allowed to make many decisions					
Employees are often asked by their supervisors to participate in operations related decision					
Employees are encouraged to suggest improvements in the way tasks and jobs are done					

Employees' contributions are regarded as important and taken in good faith					
Supervisors keep open communication with employees in the organisation					
7. Career Planning					
Employees have a clear career path					
Employee's career aspirations within the organisation are discussed with immediate supervisor					
Employees have more than one potential position for promotion					
Individual and organisational growth needs are matched in this organisation					
Every employee is aware of career path in the organisation					
Using the same scale as above (1 – 5) please tick (√) the levels of agreement in each of the items below with regards to the Motivation and commitment	SA	A	N	DA	SD
	1	2	3	4	5
8. Motivation / Job Satisfaction					
When things go well with your job, your contribution is often recognised					
I am satisfied with the freedom to take initiatives with how my job is done					
My job comes with independent thought and action					
I am satisfied with the pay i receive for my job					
I am satisfied with the employment security the organisation offers me					
The employment security offered by the organisation allows me to be innovative and initiative with job related issues					
I am motivated to work harder					
9. Organisational Commitment					
I am willing to put in a great deal of effort in order to help this organisation be successful					

I feel very little loyalty towards this organisation					
This organisation inspires the very best in me in terms of my job					
I would accept almost any type of job assignment in order to keep working for this organisation					
There is much to be gained from sticking with this organisation indefinitely					
It will take very little change in my present circumstances to cause me to leave this organisation					

Using the same scale as above (1 – 5) please tick (√) the levels of agreement in each of the items below with regards to Labour Productivity	SA	A	N	DA	SD
	1	2	3	4	5
My relationship with my supervisor is a harmonious one					
My relationships with members of my work group are cordial as well as professional					
The goals of this organization are clearly known to me.					
I understand the purpose of this organization					
I have enough input in deciding my work-unit goals					
I am personally in agreement with the stated goals of my work units.					
The priorities of this organization were understood by its employees					
Other work units are helpful to my work unit whenever assistance is requested.					
I have the information that I need to do a good job.					

Thank you for participating