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Human resource management challenges and organizational performance effectiveness: Evidence from Nigerian consumable goods

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Abstract

The purpose of this study is to examine human resource management challenges affecting organizational performance effectiveness. This study employed descriptive method in gathering, analyzing, interpreting, and presenting the information. The descriptive research design helped in identifying the strength of the relationship between factors of human resource management practices affecting organizational performance. Questionnaires were distributed to employees of Jakel Trading Company in Johor, Malaysia and of the total obtained, 139 responses were usable and analyzed. Inferential statistics were also performed for data analysis and presentation purposes. Correlations and

frequencies were among the statistical measures used in this study. Based on the findings, all three hypotheses formed at the beginning of the study were supported. The results of multiple regression showed that staff training, performance appraisal and rewards, as well as recognition are all significant factors of human resource management practices affecting organizational performance. It was also found that staff training and recognition do affect the organizational performance as a whole. This study provides input to employers on how to reward and motivate their staff for better performance.

Keywords: Human Resource Management challenges, Organizational Performance, Effectiveness

1. Introduction

Human resources management rose as a definite concept in the mid-1980s as a natural development of personnel management. Many writers have said that human resources are the most essential importance factor in development. Human Resources Management possesses the capacity to increase, maneuver, and manage other element (Gregg Brown, 2018), (R Brown, 2004). The challenges of human resource management towards organizational performance effectiveness come from very diverse group of businesses. The rapidly transforming business landscape means that there are currently human resource management challenges which will continue in some form for years to come.

Due to the fluctuating economy as well as local and global advancements, there are many challenges or changes occurring rapidly that affect human resource management towards organizational effectiveness in a wide range of issues. Based on the research conducted by Price water house Coopers (2001), several challenges for human resource management were revealed. The challenges of the researched company include change management leadership development, human resources effectiveness measurement, organizational effectiveness, compensation, staffing, recruitment and availability of skilled local labor, succession planning, learning and development: retention, of start as well as benefits costs: health and welfare.

Today, it would be difficult to imagine any organization achieving and sustaining effectiveness without efficient human resource management programs and activities (Schuler, 2000). Sometimes the size of the company determines the challenges faces by the human resources management of the company. The topic is broad and many researchers as well as firms tackle it from different perspectives. The purpose of this research is to find out those challenges and provides possible solutions to reducing them in order to improve organizational effectiveness. The challenges can vary between regions and across the countries depending on the size of the economy. Human resource management comes with great responsibility, and the effective management of people issues is a responsibility that lies at the heart of any successful organization.

The important of human resource management in organizational performance effectiveness in Finland cannot be overlooked as it helps the organizations to managing human resource capital to the maximum as well as having maximum productivity of the seeker impractical project. However, the restrictions of the recession in the years are not yet over, lots of organizations are recognizing that they will need to take rational steps to retain their existing work-force. Steps like en-gaging in programs, investing in areas that will optimize expenses or through increased emphasis on training such as integrated technology system

That can improve the employee attraction, In addition, it is generally recognized that part of an organization's creativity is embedded in its individual members. Employees with a creative potential usually come up with new ideas that enhance the organization's ability to grow and compete (Kanter, 1983). Therefore, investing in human capital is surely one of the keys for organizational success. However, very few studies have investigated how to manage and, above all, retain those employees with the best creative potential (Mumford, 2000). Indeed, harnessing creativity means not just developing ways to allow employees to be creative, but also retaining employees so that creative momentum can build over time and not be disrupted by the constant need to recruit new personnel to fill vacant positions.

There are considerations involve, following three main research gaps emerge in the literature. First, considering the lack of consensus on the definition of creativity, there is a need for greater clarity in the domain and operationalization of the concept. Second, considering the tension between fostering and disciplining creativity, further research is needed on the specific social mechanisms that allow creativity to take place and the creative passion to be disciplined and transformed into a marketable product. Third, considering the importance of the creative individuals in enhancing organizational creativity and results, further studies are required to analyze the impact of human resource management (HRM) practices on creative employees' retention. The objective of this dissertation

Organizations today are under intense pressure to continually improve their performance. The increasingly fast pace of environmental and organizational change, globalization, technical advances and deregulation are the main trends that account for these competitive pressures (Becker and Gerhart, 1996; Dessler, 2000; Wright and Haggerty, 2005). In addition, the current economic crisis "has made the life particularly difficult to those involved in crafting business strategy and make difficult decisions affecting all sizes of businesses and the people who work within them" (Worrall and Cooper, 2012: 8).

Until recently, natural resources, capital, and technology used to be the main factors that led one nation's firms to have strategic advantage over those in another nation. However, in modern times, human resources have become the most important resource. According to Allen and Wright (2006), businesses are seeking to understand how one of the last truly competitive resources, their human resources, can be managed for competitive advantage. With the dramatic changes in the economic environment and corporate strategy, the world of human resource management (HRM) is changing more rapidly than ever before. Therefore, a better understanding is needed of the role of HRM in creating better organizational performance.

In recent years, academics and scholars have devoted a great deal of attention to examining the linkage between HRM practices and organizational performance. Based on current research evidence, it is becoming increasingly clear that the HRM system is one important component that can help an organization to become more effective and achieve competitive advantage (Becker and Huselid, 1998). According to Wiggins and Ruefli (2002), competitive advantage is a capability (or set of capabilities) or resource (or set of resources) that gives a firm an advantage over its competitors which leads to higher relative performance. The

role of HRM in achieving competitive advantage through improving organizational performance is becoming increasingly important as the more traditional sources of competitive advantage become less important (Pfeffer, 1994). During the last two decades, there has been a growing academic and practitioner interest in Strategic HRM and its relationship with organizational performance.

Strategic HRM researchers have devoted considerable effort towards demonstrating that the ways people are managed, particularly through HRM practices, have strong empirical relationships with organizational performance (Delery and Doty, 1996; Huselid, 1995; MacDuffie, 1995). This has brought to the surface a variety of performance-enhancing HRM practices to improve competitiveness in the global marketplace (Delaney and Huselid, 1996). However, according to Bowen and Ostroff (2004), a pivotal issue remains unanswered: How does HRM contribute to firm performance? Currently, there is a lack of understanding of the processes and mechanisms by which HRM directly and indirectly contributes to organizational performance and this thesis seeks to address this gap in our knowledge.

Most studies that have examined the contribution of human and organizational capital to firm performance have focused on the influence of specific human resource practices and/or the alignment of these practices with the firm's strategy (Delery and Doty, 1996). Huselid and Becker's (1998) work has demonstrated that a system of HRM best practices – a high performance work system (HPWS) – increases financial performance regardless of the firm's strategic goals. Other researchers (Delery and Doty, 1996) contend that the relationship between best practice and performance must be contingent on a fit of the practices within the HRM system as well as a fit with the firm's strategy. The overwhelming conclusion of these studies is that superior alignment improves performance (Hurwitz et al. 2002). However, Becker and Gerhard (1999: 779) indicate that "given the importance and complexity of the issue, this body of work is relatively small and most of the key questions are sorely in need of further attention". Moreover, "the unknown reliability of measures of HRM, the paucity of studies with adequate research designs, and the inconsistent results both across and within studies is troublesome" (Wall and Wood, 2005: 453). Thus, strategic HRM and performance research suffers due to these methodological weaknesses.

In addition, studies have shown that the impact of HRM practices or systems on performance mainly depends on employees' perception and evaluation of these practices (Boxall and Purcell, 2008; Wright and Nishii, 2007), which implies that psychological mechanisms such as perception and employee reactions can be mediators of the HRM and performance relationship. Boxall and Purcell (2008) also emphasize the importance of the individual level in explaining the relationship between HRM practices or systems and organizational performance. Therefore, not only HRM practices or systems should be aligned with the organizational level, but also the employee interests need to be aligned with the organisation. Integrating individual level mechanisms in the HRM and performance relationship can make a valuable contribution to strategic HRM (Wright and Boswell, 2002). However, employee interests and perceptions of the system of HRM practices are often ignored in HRM and performance models (Boxall and Purcell, 2008). HRM practices or the HRM system communicate important goals and desired employee behaviours from the organization

to the employee (Guzzo and Noonan, 1994; Rousseau, 1995); these can be seen as “signals” and are interpreted as such by individual employees (Den Hartog et al., 2004: 563). The signals of the HRM system are, however, often not interpreted similarly or reacted to in a similar way by each individual because of differences in experience, values or preferences (Den Hartog et al., 2004). “All HRM practices communicate messages constantly and in unintended ways, and messages can be understood idiosyncratically, whereby two employees interpret the same practices differently” (Bowen and Ostroff, 2004: 206). On a practical/managerial level, these differences have important implications. It is imperative for a system of HRM practices to take into consideration employee reactions and interpretations, however at the same time these messages should be communicated and transfused to employees in an effective way, taking into consideration the idiosyncratic and individual personality characteristics and differences of employees.

In Wright and Nishii’s (2007) model, the effects of HRM practices on employee attitudes and behaviors occur via employee perceptions of HRM practices. Not the HRM practices as intended, but rather how employees experience HRM practices is supposed to have a strong effect on employee outcomes. These perceptions might also affect employee performance (Den Hartog et al., 2004). Although perceived HRM practices are proposed to have a strong association with employee outcomes, not many researchers have actually tested this relationship. Instead, research has focused on the effects of actual HRM practices or systems on attitudes and behaviours or on the role of perceptions of a single specific practice rather than a combination of practices. To take into account these differences in interpretations of HRM practices, this study focuses on employee perceptions of the system of HRM practices.

A number of authors have conducted research analysing the effect of HRM practices or systems on organizational performance on a conceptual and empirical level. In analysing the impact, each of the linkage models complements the others by adding constructs, variables or relationships. Despite different approaches, most studies conclude that under specific conditions and in certain combinations, HRM has a positive effect on performance, even though the size of the effects has often been found to be relatively minor (Combs et al., 2006; Guest 2011; Jiang et al., 2012; Mayrhofer and Larsen 2006; Paauwe 2009). Yet, despite such evidence, the task of persuading employers of the wisdom of adopting such policies and practices appears to be as much of an uphill battle as ever (Storey 2007). Lengnick-Hall et al. (2009) argue that until the facilitating and enabling role of HRM is understood and links are made between HRM and organizational outcomes.

HRM will continue to be seen as an administrative function vulnerable to financial constraints in difficult times. The major debate in the area of HRM is how to explain the links between HRM practices/system and organizational performance. How HRM influences firm performance; how this process works; which HRM practices or systems are related to organizational performance; and what are the major factors affecting the effectiveness of HRM in organisations; emerge as issues that need further attention. The “black box” of processes that occur between developing an HRM system and firm performance has still not been resolved (Boselie, Dietz and Boon, 2005). Researchers must develop a more

specific theoretical story that describes specific mediating processes (Wright and Haggerty, 2003). This thesis addresses that challenge.

With major changes and challenges in the business environment, organisations are realizing the importance of human resources for achieving sustainable competitive advantage. This has given rise to the ideology that Human Resource Management needs to reduce impact of challenges that might affect organizational performance negatively

Statement of the Problem

Human resource management challenges will no doubt affect the proportion of the earnings of the organizational performance effectiveness that will eventually affect service quality operational efficiency. Human resource management challenges have effect organizational performance effectiveness which has not been discovered by other researchers. Whereas, most of the researchers like Becker and Gerhart, 1996; Dessler, 2000; Wright and Haggerty, 2005, examined Strategic human resource practices, top management commitment, team social networks and firm performance and the role of human resource practices in creating organizational competitive advantage.

Organizations today are under intense pressure to continually improve their performance. The increasingly fast pace of challenges and organizational change, globalization, technical advances and deregulation are the main trends that account for these competitive pressures. In addition, the current economic crisis “has contributed toward challenges that made the life more difficult to those involved in low performance work system, reduction in financial performance and make difficult decisions affecting all sizes of businesses and the people who work within them” (Worrall and Cooper, 2012).

The above statement of problem calls for more academic research or investigation and assessment to bring more about the reliable ideas and findings regarding the effect of human resource management challenges have on organizational performance effectiveness in selected firms.

Research Questions

Based on the problem statement above, this study addresses the following research questions:

1. To what extent does low performance work system have influence on organizational performance effectiveness in selected firms?
2. At what level does reduction in financial performance have influence on organizational performance effectiveness in selected firms?
3. (iii) To what extent does business environment have influence on organizational performance effectiveness in selected firms?
4. To what extent does employee stress performance have influence on organizational performance effectiveness in selected firms?
5. (v) To what extent does management attitude have influence on organizational performance effectiveness in selected firms?

Objectives of the Study

The major objective is to access the effect of dividend tax policy on the shareholders’ wealth of Nigerian food and beverage firms. The specific objectives are to;

1. Examine the effect of low performance work system

- have influence on organizational performance effectiveness in selected firms
2. Assess the impact of reduction in financial performance on organizational performance effectiveness in selected firms
 3. Investigate the effect of business environment have on organizational performance effectiveness in selected firms
 4. Examine the effect of employee stress performance have on organizational performance effectiveness in selected firms
 5. Examine the effect of management attitude on organizational performance effectiveness in selected firms

Research Hypotheses

H01: Low performance work system has no significant effect on on organizational performance effectiveness in selected firms.

H02: Reduction in financial performance has no significant effect on on organizational performance effectiveness in selected firms.

H03: Business environment has no significant effect on organizational performance effectiveness in selected firms.

H04: Employee stress performance has no significant effect on on organizational performance self-activeness in selected firms.

H05: Management attitude has no significant effect on organizational performance effectiveness in selected firms.

Significance of the Study

The significance of this study is to explore the impact of human resource management challenges on organization performance effectiveness in Nigerian consumable goods firms and to suggest recommendations for its improvement. The significance of this research study is threefold which can contribute to knowledge and literature. Firstly to investigate the relationship between HRMPs and organization performance within selected firms. Secondly, this research study provides meaningful insight about HRMCs and organization performance for academics and professionals for a better understanding of HRMPs problems and challenges at higher education institutions in Palestine. Third, from applicable viewpoint, this study provides more attention to the fact that there is a need to develop HRMCs that can improve the efficiency of consumable goods. Firms

Conceptual framework

Some researchers understanding of the concept of human resources management hinges on the basic assumption that human beings are the most important assets of an organization. People move an Enterprise and lend activity to the productive factors and dynamism to the whole firm. Human resources management can therefore be seen as putting into place policies and practices that will ensure effective utilization of human skills for the attainment of organizational objectives. In today's ever-changing and innovative business environment, it is no longer enough to remain just competitive in the industry. What experienced chief executives aspire to achieve is to establish competitive superiority over their competitors and to continue to post increased profit figures annually. The singular variable that will aid the chief executive to achieve this goal is adequate training, empowerment and effective

management of the workforce, (Cole, 2002)

Concepts of Human Resources Management

Human resources management has been defined as the philosophy, policies, procedures and practices related to the management of people within an organization. It is also seen as the whole of efforts of the organization to utilize the skills, talents and creativity of people to achieve corporate objectives. The effort to utilize available human resources is not the assigned responsibility of managers in one department alone. All managers, irrespective of their departments are involved in the activities which are designed to ensure the effective utilization of employees to achieve organizational objectives (Inegbenebor and Agbadudu, 1995).

Scope of Human Resources Responsibility

Almost all managers in an organization has direct or indirect responsibility for human resources management. Top management extols the role of human resources management, decides on strategies and policies of human resources management. For example, top management decides on the status of the human resources manager in the organization as well as his scope of authority. It decides on how much emphasis to place on the training of employees to achieve maximum productivity, (Goldthorpe, 1968). The human resources manager plays a key role in the formulation of the strategies and policies of human resources management. He designs and implements the manpower plan, recruitment, training, and compensation systems of the organization, (Martand, 2007).

The concept of human resources management is relatively new. In many organizations, Human resources function was referred to as personnel management until recently. The role of the personnel manager during that era was limited to the administration of personnel policies (where they exist), especially in the areas of recruitment, selection and discipline of employees. The status of the personnel manager in the organization was low. He was either at the level of a supervisor or junior manager. As a result of his low level, he had neither power nor opportunity to influence the senior managers or handle the total management of human resources in the organization. For instance, policies relating to management staff were outside his jurisdiction. With globalization and changes in the business environment, human resources management has become prominent in modern organizations.

There has been a shift in the philosophy and orientation of management. It is now crystal clear to management practitioners that the major constraint to improved productivity in an organization is the ineffective utilization of manpower. Concentrating on changing and updating productive equipment will have limited impact on productivity improvement. Management is beginning to understand that productivity improvement comes through people. For this reason, emphasis must be placed on effective human resources planning, and the development of policies and programmes that will ensure effective utilization. Improvement in the quality of human resources managers. Until recently, those who have responsibility for the management of employees were trade unionists and supervisors with limited education. Most human resources managers today, are graduates of polytechnics and universities in various disciplines. Costs associated with human resources. Personnel cost forms a substantial

proportion of total cost. Effective control of such cost demands substantial effort and knowledge in analyzing and planning human resources functions and Improvement in the quality of trade unionism. The education and experience of trade union leaders have improved tremendously in recent years. Similarly, trade union members are now more enlightened. They are now more aware of their rights and responsibilities.

Change in the competitive environment. This requires organizations to seek and employ individuals who can contribute to their growth and development. Increase in legislative changes. During the past three decades, government introduced new laws designed to regulate and control industrial activities and industrial unrest in the economy. These changes have increased the complexity of human resources management and enhanced status and role of human resources managers in organizations. Human resources managers now occupy senior management positions and are therefore able to influence the direction and utilization

In the light of strategic organizational decisions and environmental challenges, HRP process starts by forecasting the future human resource needs. The focus for human resource becomes forecasting the number of currently available employees with the appropriate skills and educational levels to meet operational plans. This information is drawn from HR inventory and Skills inventory. The forecasting process highlights the supply and demand principle of the model. This is relatively important because it gives an organisation a broad forward-looking insight into not just the number of employees but also the type, skills, and attributes of the people that will be needed in the future. This is also vital because an organisation will be able to meet its future demands and achieve the desired level of output. Labour costs such as, recruitment costs are substantially maintained by keeping a balance between demand and supply of human resource; hence, organizational performance is not affected.

Reconciliation stage follows. It helps to identify those gaps that occur between supply and demand. The processes of reconciliation assists to identify what the major gaps are in managing human resources. In addition, through reconciling an organization is able to develop a sense of urgency and build commitment action regarding its "source of pain". This is significant because it helps an organisation to identify gap between human resources needed and their availability henceforth an organisation will be able to identify whether there may be surplus of human resources or there may be shortage of human resources. This matching process is significant to the success of the organisation because it gives knowledge about requirements and sources of human resources. Human resource planning is key in this sense, because it informs a company what course of action to take. If forecasting shows that supply of potential candidates is equal with demand, then the organisation does not have to do anything

However, if human resource planning shows there will be a tight supply of talent, then an organisation must increase recruiting efforts to secure employees. This as a result leads to improved organizational performance because action plans will be underway and less challenges.

Action of plans follows; these represent programs and policies needed to address the gaps identified in the reconciliation process. Under this, HR plan is executed

through the designation of different HR activities. These constitute succession planning, staffing, promotion, training and development, recruitment, employee leasing etc. This is beneficial to the organisation because various action plans are devised to bridge the human resource gap, for instance if there is surplus of human resources action plans may be devised to reduce their challenges

Theoretical Review

Therefore the emphasis must be in the management of people rather than the management of material resources. Thus, organizations should invest sufficiently in human capital development. Both the knowledge employees and the manual workers need to be developed since both skills mutually bring synergy to bear on organizational performance. Studies examining the various theoretical approaches to human resources management have emerged overtime. These new approaches were used to formulate different theories relating to the impact of human resources practices on organizational performance. Some of these perspectives are discussed below:

Human Capital Theory

This is an economic approach which sees people as valuable assets. It supports investment in the training and development of people in order to achieve improved organizational performance and increased profitability.

Agency Theory

Agency theory holds that the employer and the employee have a principal-agent relationship. Since there may be disagreement between the two from time to time, legal implications have to be carefully considered and, if possible, litigation should be avoided.

General Systems Theory: This theory describes organizations as complex systems having human resources management as a sub-system. The theory emphasizes that the success or failure of the human resources management component determines the existence and direction of the organization.

Competitive Advantage Theory

This theory encourages organizations to capitalize on competitive advantage it has over other organizations. An employee is a rare resource, highly valuable and not easily substitutable. In order to gain from competitive advantage, there should be creation and support of organizational culture that ensures effective training and development of the workforce and prompt execution of other performance management functions.

Organizational Learning Theory

Organizational learning theory upholds that organizational success is dependent on the ability of the entire labour force to learn. An employee's prior knowledge facilitates learning and application of new skills and knowledge, hence, the human resources management needs to facilitate continuous learning in the organization.

Empirical Review

The extant literature on organizational adoption, international business, and HRM (e.g., Sturdy and Gabriel, 2000; Kostova and Roth, 2002; Khilji, 2002, 2003, 2004a; Saher, 2011) highlights the influences of institutional or social legitimacy and the relationship with environmental forces in the

adoption process; but little attention has been paid to the adoption process at an individual level, and crucially to the influence of actors' social position on adoption. Furthermore, some core actors (for instance, HRM academics, MBA-Alumni with an HRM major, administrators in public sector organisations with an HRM approach to their work etc.) who can play an important role in the adoption and dissemination of management knowledge in general and HRM in particular have been overlooked.

Most studies were specifically focus on HRM academics and their potential to act as core actors in the adoption of western HRM in Pakistan. HRM academics' institutional role(s) (e.g., teaching, research, corporate training and consultancy) confer on them social position and legitimacy. However, it is unclear how the adoption and dissemination of western HRM are shaped by the actors' social position, what resources are required by the actors to gain dominant social positioning, and what dispositions they develop and exert in order to gain such resources and social positioning.

Traditionally, research have been carried out on management and HRM adoption and diffusion by conducting organizational-level analysis with a macro-environmental-level focus. The resultant focus on organizational-level analysis, rather than individual actor level focus, in understanding the adoption of HRM is problematic because it challenges and undermines actors' existing schemata, developed from the changing institutional structures in societies like Pakistan, which help actors to interpret and make sense (Moch and Bartunek, 1990) of HRM in the Pakistani context. This ambiguity may lead actors to form new schemata (Bartunek, 1984) in order to understand and accept western HRM practices. To form new schemata for this purpose, actors structure their thinking (perception) by taking inputs or orientation from their personal backgrounds, histories, and organizational and social positions (Dutton and Dukerich, 1991; Gephart, 1993). Over time, these schemata become mature and durable through social interaction (Maitlis, 2005) which guides actors' decision as to whether or not to adopt HRM.

The traditional focus of research on HRM adoption and diffusion in the developing countries context has been on the influence of institutional and organizational factors at the organizational and group level. It highlights the influence of social legitimacy and good relationships with the environment, but underplays the role and influence of actors' social positioning. Furthermore, that emphasis on institutional and organizational factors, at group or organizational level, has overlooked the potential issues arising during the adoption process, resulting from the gap between social legitimacy, environmental influences, and the influence of actors' social positioning.

In this view, HR decision makers such as top managers, HR professionals, and line managers as well as employees have their own tasks for performing the HRM process successfully in firms, so that identifying their duties and responsibilities would provide HRM with good governance. Generally, it seems that identification of HRM challenges not only addresses HRM inefficiencies, but also specifies the interventions that must be applied. It is evident that such studies would be critical and inevitable. For instance, in the case of HRMPs implementation, since the ways through which line managers coordinate their subordinates are a big concern to HR department in order to have HRMPs implemented effectively, and obstacles against the

implementation of such practices need to be identified using line managers' views.

Accordingly, it is believed that it should be fruitful to analyze HRM challenges carefully and explore problems, barriers, and obstacles surrounding organizations. Such a structured evaluation has invaluable benefits for every stakeholder of the organization and minimizes the waste of resources. Despite the fact that HRM challenges are of great importance, only a small deal of attention has been paid to the issue, and detailed case studies on the analysis of particular practices have been performed just in recent years (26). In other words, as mentioned at the beginning of this section, a historical overview to the HRM literature in recent decades reveals that, investigations have been often focused on -oriented approach rather than practice oriented perspective (29); of course, in this kind of papers, some challenges and obstacles Human Resource Management and Pharmaceutical Industry

Effective Utilization of Human Resources

Adam Smith, in his book "The Wealth of Nations," (1776), laid the foundation of classical free market economic theory that centered on the human being as the central force in the success of world commerce and industry. That was the beginning of the recognition of human resources as

Method

This research was conducted at four (4) selected consumable goods firms in Johor, Nigeria. The number of populations is 358, comprising all employees of selected firms from Abuja and Lagos. These include the top-level management, middle level management and lower level management personnel. A simple stratified random sampling was used and the targeted sample in this study were 260 employees of above selected firms

The instrument used by the researcher to collect data is a questionnaire containing three sections that were prepared both in English and Bahasa Melayu. Items in the questionnaire were adopted from Basil and Helen (2013), Engetou (2017), Wachiuri (2017), Nassazi (2013), Asfaw, Asgaw and Bayissa (2015), Yasmeen, Farooq and Asgha (2013) and Iqbal et al. (2014). To test both consistency and stability of the data, a reliability analysis was conducted. Data from the questionnaire were tabulated and analysed using descriptive analysis and inferential statistics

Result and Interpretation

Table 1: Responses Related to the Low performance work system influence on Organizational Performance effectiveness

| Questions | Yes/agree responses | % | *No/does not agree response | % |
|-----------|---------------------|-------|-----------------------------|------|
| SQ | 242 | 94.07 | 18 | 6.92 |
| OE | 240 | 92.30 | 20 | 7.70 |

Source: Field Survey 2021

The data in table 1 above can be analyzed as follows: To question1, base on service quality, 242 representing 94.07% of the respondents are aware of LPWS as it affects organizational performance effectiveness. Meanwhile, representing 6.92% of the respondent are not agree. In response to question 2, base on operational efficiency 246 representing 92.30% of the respondents agreed that LPWS have influence on both SQ and OE. On the other hand 20 representing 7.70% of the respondents indicated otherwise. From the analysis above, one can conclude that most of the

respondents supported that low performance work system influenced organizational performance proxies toward selected firms.

Table 2: Responses Related to the Reduction in financial performance impact on Organizational Performance effectiveness

| Questions | Yes*/agree responses | % | No*/does not agree response | % |
|-----------|----------------------|-------|-----------------------------|------|
| SQ | 235 | 90.03 | 25 | 5.38 |
| OE | 239 | 91.92 | 21 | 8.07 |

Source: Field Survey 2021

The data in table 2 above can be analyzed as follows: To question1, base on service quality, 235 representing 90.03% of the respondents are aware of RFP as it affects organizational performance effectiveness. Meanwhile, representing 5.38% of the respondent are not agree. In response to question 2, base on operational efficiency 239 representing 91.92% of the respondents agreed that RFP have influence on both SQ and OE. On the other hand 21 representing 8.07% of the respondents indicated otherwise. From the analysis above, one can conclude that most of the respondents supported that reduction in financial performance influenced organizational performance proxies toward selected firms.

Table 3: Responses Related to the Poor Business Environment impact on Organizational Performance effectiveness

| Questions | Yes*/agree responses | % | No*/does not agree response | % |
|-----------|----------------------|-------|-----------------------------|------|
| SQ | 252 | 96.92 | 8 | 3.07 |
| OE | 250 | 96.15 | 10 | 3.85 |

Source: Field Survey 2021

The data in table 3 above can be analyzed as follows: To question1, base on service quality, 252 representing 96.92% of the respondents are aware of PBE as it affects organizational performance effectiveness. Meanwhile, representing 3.07% of the respondent are not agree. In response to question 2, base on operational efficiency 250 representing 96.15% of the respondents agreed that PBE have influence on both SQ and OE. On the other hand 10 representing 3.85% of the respondents indicated otherwise. From the analysis above, one can conclude that most of the respondents supported that poor business environment influenced organizational performance proxies toward selected firms.

Table 4: Responses Related to the Employee Stress Performance impact on Organizational Performance

| Questions | Yes*/agree responses | % | No*/does not agree response | % |
|-----------|----------------------|-------|-----------------------------|------|
| SQ | 244 | 93.85 | 16 | 6.15 |
| OE | 248 | 95.38 | 12 | 4.61 |

Source: Field Survey 2021

The data in table 4 above can be analyzed as follows: To question1, base on service quality, 244 representing 93.85% of the respondents are aware of ESP as it affects organizational performance effectiveness. Meanwhile, representing 6.15% of the respondent are not agree. In response to question 2, base on operational efficiency 248 representing 95.38% of the respondents agreed that ESP have influence on both SQ and OE. On the other hand 12 representing 4.61% of the respondents indicated otherwise. From the analysis above, one can conclude that most of the respondents supported that Employee Stress Performance influenced organizational performance proxies toward

selected firms.

Table 5: Responses Related to the Management Attitude impact on Organizational Performance

| Questions | Yes*/agree responses | % | No*/does not agree response | % |
|-----------|----------------------|-------|-----------------------------|------|
| SQ | 245 | 94.23 | 15 | 5.77 |
| OE | 241 | 92.70 | 19 | 7.30 |

Source: Field Survey 2021

The data in table 5 above can be analyzed as follows: To question1, base on service quality, 245 representing 94.23% of the respondents are aware of MA as it affects organizational performance effectiveness. Meanwhile, representing 5.77% of the respondent are not agree. In response to question 2, base on operational efficiency 241 representing 92.70% of the respondents agreed that MA have influence on both SQ and OE. On the other hand 19 representing 7.30% of the respondents indicated otherwise. From the analysis above, one can conclude that most of the respondents supported that Management attitude influenced organizational performance proxies toward selected firms.

Table 6: Pearson’s Correlation for the dependents and independent Variables for the Study

| Variables | SQ | OE | LPWS | RFP | PBEN | ESC | MA |
|-----------|---------|---------|--------|---------|---------|--------|--------|
| SQ | 1.0000 | | | | | | |
| OE | 0.6502 | 1.0000 | | | | | |
| LPWS | 0.8055 | 0.5400 | 1.0000 | | | | |
| RFP | 0.5995 | 0.4133 | 0.5635 | 1.0000 | | | |
| PBEN | 0.6606 | 0.5853 | 0.4749 | 0.5307 | 1.0000 | | |
| ESC | 0.0875 | 0.4343 | 0.4795 | 0.4030 | 0.6517 | 1.0000 | |
| MA | -0.0652 | -0.5336 | 0.0980 | -0.1790 | -0.0604 | 0.0709 | 1.0000 |

Correlation Matrix

This table 6 presents the results of preliminary correlation analyses among the variables. The first purpose is to determine whether there is a bivariate relationship between each pair of the dependent and independent variables considered in this study. The second is to ensure that the correlations among the explanatory variables are not so high to the extent of posing multi co- linearity problems. The result in Table 6 shows that positive and significant association exists between SQ and OE (r = 0.6560). Similarly, positive correlation was seen between SQ and RFP (r = 0.5995) and SQ and ESC (r = 0.3875). However, a negative correlation existed between SQ and MA (r = -0.0652). The result revealed that a weak positive relationship exists between OE and RFP (r = 0.4133) and between OE and ESC (r = 0.4343). The correlation between OE and MA though positive was very weak and not significant. The association between LPWS and RFP was shown to be positive (r = 0.5635) which is analogous to the relationship between LPWS and ESC (0.4795). Conversely, there exists a positive and significant relationship between LPWS and MA (r = 0.0980). Furthermore, results show the there is a positive association between RFP and PBEN (r = 0.5307). The correlation between RFP and ESC was also positive and significant (r = 0.4030). On the contrary, RFP was seen to have a weak, negative and significant association with MA (r = -0.1790). The correlation between PBEN and MA (r = -0.0604) as well as between MA and ESC (r = -0.0709) were negative and significant at 5% level of significance. Results also show that there was a positive and significant relationship between PBEN and ESC (r = 0.6517).

Discussion of Finding

The significance of human resource management has been argued commonly among public listed firms without paying attention to specific industries. This paper emphasis on the importance of human resource management in Nigerian consumable goods firms. The result shows that low performance work system and reduction financial performance have positive significant effect on the organizational performance proxies of Nigerian consumable goods listed firms. The result generally suggest that the implementation of human resource management principles has some imperative implications on selected firms. The study notes that business environment and management attitude determine organizational performance effectiveness in term service quality and operational efficiency.

Although the positive relationship between employee stress performance and organizational performance was not statistically robust when operational efficiency is used as performance indicator. From the result, there is absolutely no evidence that an increased proportion of human resource management challenges has a negative effect on firms' performance. Again, there no link between employee stress performance and organizational performance.

Challenges from Increasing Productivity

The fundamental function of manufacturing concern is production. The changing economic environment has posed challenges to the consumable goods sectors. To face these challenges, the HR manager has to adopt innovative product process, productivity improvement techniques and effective technology management for sustainability of the unit. Here the innovative approach will be the remedy to the HR manager for sustainability. In today's competitive world, it is the technology that drives the economy. There are different types of workers some are skilled and unskilled. The incentives to skilled are more, comparatively less to the unskilled workers. If this continuous, the production will go down. Therefore the HR manager should take necessary measure to increase the productivity. This point was confirmed by 'How throne Experiment' which is conducted by 'Elton Mayo'. There is also social factor which influence the production. The people are social beings their social characteristics determine the output. Economic rewards and productivity do not necessarily go together. Many non-economic rewards affect the behavior of workers. The since of belongingness and mutual understanding is necessary at production plant to improve productivity. Conclusion: Now the time has come to introduce the innovative HR ideas because the young HR managers are having different ideas from others. 'The days are changing, changing days are challenging'. Now-a-days technological development in a manufacturing sector has been changing.

Conclusion and Recommendations

In summary, this study has tested the significant relationship between low performance work system, reduction in financial performance, business environment, employee stress performance and as well as management attitude with the organizational performance effectiveness in consumable goods firms. Based on the results from the questionnaire with 260 respondents, it was found that all variables have a positive relationship with organizational performance. In particular, low performance work system and reduction In financial performance were the most significantly correlated

followed by business environment employee stress performance and management attitude.

When it comes to management attitude and low performance work system the employees were able to perceive the low benefits, provided by the company which does not improve their knowledge and skills. The reduction in human resource management challenges provided not only motivates them to work harder but also encourages them to improve their career advancement. However, the company was not able to identify the reduction in financial performance of their employees. To further improve the organizational performance of consumable goods firms. Management attitude should be improve to ensure the employees are continuously relevant to the changing needs of jobs and business. By reducing employee working period the more they are given the opportunity to improve performance as they play an important role to improve organizational performance effectiveness.

Apart from that, the employees also believe that standard business environment to improve performance and motivate them to work harder, which in turn increases the organizational performance. In line with the results, the organization should utilize various forms of motivation to drive behavior of the staffs that promotes high performance. Lastly, performance appraisal also have impacts the employee and organizational performance when employee receives feedback about themselves for area of improvement and development. Performance appraisal as one of the factors affecting organizational performance should be considered important. Employee performance should be clearly disclosed for them to improve themselves for better performance.

In light of what was previously mentioned, the study has made the following recommendations:

Management in consumable goods sectors should use Strategies Human Resource Management policies and activities to reduce the likely challenges by embracing strategic on how to reduce working period worked per day to minimized employee stress performance The empirical results suggest that there should be more genuine efforts to strengthen, integrate and achieve consistency between HRM challenges and the motivational policies which would reflect positively on the decision of employees to enhance organizational performance. In this respect, and to enhance particularly the impact of the intrinsic factors of challenges that were more correlated with general satisfaction of both staff and investors. Concerning future research, it should replicate the framework of this study with larger samples, and in other settings as manufacturing industries and within both public and private sectors. In addition, further studies must also consider broader aspects with moderating variables, such as organizational culture, organizational climate, labor market and the regulatory and legal environment.

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