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# Human Resource Management and Organizational Performance of Nigerian Firms: A Panel Analysis

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**Abstract:** *Organizational performance requires proper harnessing of all the resources of the firm, especially the human resource, so as to achieve organizational goals and objectives. Human resources planning in an organization ensures that there is always qualified personnel at the right job at the right time in the short, medium and long term. Also given that the company have adequate manpower there is also need to have career development plans, successions plans and appropriate compensation plans to ensure that the company retains its good hands and avoid worker turnover or loss of key personnel to competitors. This underlines the function and importance of Human Resource Management. This study is a theoretical review of various empirical works in the area of the impact of human resource management on organizational performance of Nigeria firms. The methodology adopted was a detailed review of literature in same or related topics. Prominent articles in electronic resources and reputable online journals in the area of management and Human resource management were accessed. There was special focus on review of empirical studies of HRM and OP of Nigeria firms. All the reviewed empirical works tend to agree that there is a positive relationship between human resource management and organizational performance. Human resource management practices of training and career development, motivation showed significant positive contribution to organizational performance. Several issues and challenges to human resource management in Nigerian firms were highlighted and possible solutions were proffered. It was recommended that organizations should intensify efforts at human resource planning, engage in training of their personnel and adopt reasonable compensation plans based on what obtains in its industry in order to overcome challenges of HRM and achieve improved and sustained organizational performance.*

**Keywords:** *Human Resource, Corporate Objective, Performance, Motivation*

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## 1.0 INTRODUCTION

It is agreed by many scholars that the human resource of an organization is seen as the most important resource of the organization because it drives every other resource. For an organization to be in business it will possess the following important resources, capital,

infrastructure, technology, materials and human resource. Since the human resource is the most critical resource and asset of the organization that drives every other resource, there is need to properly plan and manage it in such a way as to achieve the overall objective of the firm.

The process of planning and managing the human resource needs of the firm in such a way as to achieve the overall goals and objectives of the firm in the short, medium and long term have variously been referred to by scholars as Human Resource Planning, Manpower Planning, Human Resource Management, Strategic Human Resource Planning, Strategic Human Resource Management etc. For the purpose of this study the various terms, which all refer to the Human Resource of the firm, will be taken to mean the same time and may be used interchangeably as there is no fundamental difference between the terms. However human resource planning or manpower planning can be taken as a subset of human resource management which is larger in scope and deals with the management of the human resource assets of the organization in line with the corporate goals and objectives.

In organizations, human resource function may involve the implementation of recruitment and selection policies, disciplinary procedures, reward and recognition policies, staff development policies, succession planning and talent management. All these functions will need to be aligned and correlated, in order to correspond with the overall organizational goals. This is described as strategic human resource management.

Without the human resource every other resource of the firm will be dormant and unusable. While it is important to have human resource that will utilize, manage and convert other resources for the production of goods and services, it is more important for the organization to have the right quantity and quality of human resource at the right time and right position. This underscores the importance of human resource planning. Thus, the objective of human resource (HR) planning is to ensure the best fit between employees and jobs, while avoiding workforce shortages or surpluses. Human resource planning is said to be strategic when the human resource planning is aligned to the strategic objectives of the organization both in the short, medium and long term. The three key elements of the HR planning process are forecasting labour demand, analysing present labour supply, and balancing projected labour demand and supply.

Organizational Performance deals with a combination of financial and non financial measures in order to give a fair assessment of the general performance of the company. Four dimensions were used to measure Organizational Performance, these are: Profitability, Earnings per share, Market share, customer satisfactions and employee satisfaction. It is the goal of every business set up to perform well in order to meet the expectations of the owners of the business and other stakeholders. Studies on how to improve Organizational Performance is one of the most researched areas in management sciences. This study focuses on determining the practical relationship between Human Resource Management and the Organizational Performance of Nigeria firms. This involves studying the empirical research results of various studies across the world and Nigeria with a view to identifying common grounds or areas of agreement with respect to the nature of relationship between the various Human Resource Management Practices and Organizational Performance as represented by financial and non-

financial measures of performance.

In the course of the research the major issues and challenges confronting Human Resource Management in Nigeria firms were identified and suggestions were made on how to contain them. It is believed that by solving the identified problems and challenges of HRM of Nigeria firms it will improve workers morale, commitment and productivity which will in turn lead to improvement in organizational performance.

The Nigeria economy is in dire need of proper strategic human resource planning by companies operating in Nigeria. The external environment of Nigeria business organizations is turbulent and dynamic. Competition is stiff and Technology is changing at a fast pace and thus there is need for constant training of staff in new ways of production of goods and services if the company is to remain competitive. There is also shortage of high level skilled manpower that operate the various factory equipment. This gives rise to poaching of staff by competitors which makes it imperative that companies have to adopt appropriate strategies to retain their staff who they may have also committed some resources to train. All these point to the fact that there is need for a comprehensive and well thought out Human resource plan that will enable the company to harness their organizational resources to ensure organizational performance, survival and sustained growth of the company.

### **1.1 Statement of the Problem**

The human resource of an organization is taken as the most critical and important resource. However there seem to be more emphasis on the other resources of the firm especially financial resource, infrastructure, equipment, technology, raw materials and products to the utter neglect of the most critical resource of the organization which is its human resource.

There are several research works in the area of human resource planning or human resource management and organizational performance. Many scholars used different measures and dimensions for HRM and OP thereby making direct comparison of the results of the various findings difficult. Thus we tried to identify and adopt the congruence of opinion among the various researchers.

The apparent neglect of the human resource of the organization may have also contributed to the general decline in production activity and resultant economic recession experienced by Nigeria recently. There are many issues, problems and challenges that confront HRM in Nigeria firms which affect organizational performance.

This study therefore focuses on reviewing and analysing the various human resource management research works with a view to establishing common grounds on the impact of human resource management on organizational performance and make recommendations on how to improve organizational performance of Nigeria firms through the utilization and implementation of appropriate human resource management tools.

### **1.2 Aims and Objectives of the Study**

The aim of this study is to identify, review and evaluate the various human resource planning activities or practices and their impact on organizational performance of firms. Specifically this study seeks to determine the following:

1. Whether firms that do Human resource management outperform those that do not.
2. To what extent does the various Strategic human resource management practices impact on the overall performance of the organization?
3. What are the challenges facing human resource management in Nigerian firms.
4. Recommending Strategic Human resource management actions that will lead to improved organizational performance.

## **2.0 LITERATURE REVIEW**

### **2.1 concept of human resource management**

The human resource of an organization have been described by Onuoha (2007) as manpower or amount of labour, both male and female, available in a country (or an organization) at a particular time. This available manpower was categorized into low-level manpower (unskilled) and high-level manpower (skilled) which include top administrators, managers, professionals, technical and supervisory personnel. Human Resource of an organization can be said to include the physical labour, intellect, technical and professional knowledge of the human beings working together to harmonize the entrepreneurship, capital, land and other equipments and deploy them towards the realization of the organizational goals or meeting a designed need (Onuoha & Ogbulu, 2011).

Human Resource Management as stated by Shermarhon (1999) “involves attracting, developing and maintaining a talented and energetic workforce to support organizational mission, objectives and strategies”. Thus Human Resource Management (HRM) deals with the procurement, training, placement, remuneration, motivation and utilization of the labour, intellect, technical and professional knowledge of men and women to achieve organizational goals.

Human Resource Management involves the application of policies and practices in the fields of organization, design and development, employee resourcing, learning and development, performance and reward, and the provision of services that enhance the wellbeing of employees. These are based on human resource (HR) strategies that are integrated with one another and aligned to the business strategy. Armstrong (2012). The concept of HRM appear to have been fully captured by Imam-Bello (2007) who described HRM as follows:

HRM fundamentally acknowledges that the effective management of people is crucial to corporate success since they are the most important assets of the organization. It follows therefore that organizational success can only be achieved if its personnel policies and procedures are closely linked to corporate objectives and strategic plans....HRM equally encourages working together with a sense of common purpose. It advocates commitment to change, including strategy –induced change that espouses market-focused and customer-centredness...HRM provides a framework for integrating the decisions about the employment and management of people with the business strategy of the organization.

From the foregoing it is clear that one of the major functions of HRM in an organization is finding the appropriate personnel to fill the strategic and operational tasks created in an organization. This will be followed by searching for and procuring the needed human resource or manpower or personnel for the created tasks and inducting or training them to fit into the rudiments of the tasks. Thereafter HRM also involves rewarding, motivating and supervising the procured personnel to perform to the best of their ability in meeting the expectations of the organization until such a time when their services will no longer be required by the organization or they may wish to discharge voluntarily from the organization. The above may be described as the process of HRM which basically involves planning for the types, qualities, knowledge and skills of the people that may be required to make the various segments of the organization to work. This is referred to as Human Resource Planning or manpower or personnel planning (Onuoha & Ogbulu, 2011).

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning is strategic when it serves as a link between human resource management and the overall strategic plan of an organization. Wikipaedia. Bulla and Scott (1994) defined human resource planning as 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements'. Reilly (2003) chose the term workforce planning which he defined as: 'A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand'. Another definition of Human Resource Planning by Farook (2007) states that Human Resource Planning involves getting the right number of qualified people into the right job at the right time. Human resource planning includes creating an employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, recruitment and selection strategy. Basically Human resource planning can be defined as the process of analysing an organizations human resource needs and developing plans, policies and systems to satisfy those needs.

#### 2.12 Advantages of HR Planning and Strategic HR Planning Process

The advantages of Human Resource Planning are as follows:

1. Human Resource Planning ensures that the organizations plans towards business expansion, diversification, technological change will be backed by availability of human resources.
2. HRP offsets uncertainty and changes to the maximum possible and enables the society to have right men at the right time and in the right places.
3. It provides for advancement and development of employees through training, development etc.
4. It helps to satisfy the individual needs of the employees for the promotions, transfers, salary enhancement, better benefits etc.
5. It helps to take steps to improve human resource contribution in the form of increased productivity, sales turnover etc.

6. It causes the development of various sources of HR to meet the organizational needs.

Human resource planning is the ongoing process of systematic planning to achieve the best use of an organisation's most valuable asset – its human resources. The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.) (Wikipedia, 2018).

The Strategic HR Planning Process is made up of the following components: 1. Assessment of the Current HR Capacity 2. Forecasting HR Requirements 3. Gap Analysis 4. Developing HR strategies to support the strategies of the organization. There is need for the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps. These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and making needed corrections (Wikipedia, 2018).

## **2.2 Concept of Organizational Performance**

Organizational performance – is a two word phrase. 'Organizational' is the adjective of 'organization.' An organization is an organized group of individuals with a specific purpose while 'Performance' is the process or action of performing a function or task. Thus according to Louise James, a Senior Manager at *Pitcher Partners*: "Organisation performance relates to how successfully an organized group of people with a particular purpose perform a function." *BusinessDictionary.com* defines organizational performance as: "An analysis of a company's performance compared to its goals and objectives."

Organizational performance involves analyzing a company's performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs. The analysis focuses on three main outcomes, first, shareholder value performance; second, financial performance; and third, market performance.

The concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. For this reason, there isn't a universally accepted definition of this concept. In the '50s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives (Georgopoulos & Tannenbaum, 1957: p. 535). Performance evaluation during this time was focused on work, people and organizational structure. Later in the 60s and 70s, organizations have begun to explore new ways to evaluate their performance so performance was defined as an organization's ability to exploit its environment for accessing and using the limited resources (Yuchtman & Seashore, 1967: p. 379). The years 80s and 90s were marked by the realization that the identification of organizational objectives is more complex than initially considered.

Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency). Thus, organizational theories that followed supported the idea of an organization that achieves its performance objectives based on the constraints imposed by the limited resources (Lusthaus & Adrien, 1998 after Campbell, 1970). In this context, profit became one of the many indicators of performance. The authors Lebas & Euske (2006: p. 71) provide a set of definitions to illustrate the concept of organizational performance: Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebas & Euske 2006 after Kaplan & Norton, 1992). Performance is dynamic, requiring judgment and interpretation.

Performance may be illustrated by using a causal model that describes how current actions may affect future results. Performance may be understood differently depending on the person involved in the assessment of the organizational performance (e.g. performance can be understood differently from a person within the organization compared to one from outside). To define the concept of performance is necessary to know its elements characteristic to each area of responsibility. To report an organization's performance level, it is necessary to be able to quantify the results.

Organizational performance can be said to comprise the actual output or results of an organization as measured against its intended or forecasted outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes:

- (a) financial performance (profits, return on assets, return on investment, etc.);
- (b) product market performance (sales, market share, etc.); and
- (c) shareholder return (total shareholder return, economic value added, etc.).

Business owners and stakeholders of every business organizations are all interested in the performance of the organization. Consequently many organizations have attempted to manage organizational performance using the balanced scorecard methodology developed by Robert Kaplan, where performance is tracked and measured in multiple dimensions such as: financial performance (e.g. shareholder return), customer service, social responsibility (e.g. corporate citizenship, community outreach), employee stewardship, Organizational performance, Performance measurement systems, Performance improvement, Organizational engineering.

Organizational performance, among other things, determines whether senior management had issued accurate forecasts. In other words, had the directors been too optimistic? The three main areas that comprise Organizational Performance are a. Financial Performance, Market Performance and Shareholders value. Financial performance refers to measuring a company's operations and policies in monetary terms. In other words, in terms of value in dollars, pounds, euros, etc. We can see how good a firm's financial performance by looking at its return on assets [and return on investment](#). We can also gauge its financial performance by measuring value added.

Market performance measures how well a company or product performs in the marketplace. In other words, whether a product's market share has risen, if product upgrades

helped boost sales, etc. When we are talking specifically about a product rather than the whole company, we say 'product market performance.'

*Shareholder value performance looks at how much a company enriches its shareholders. In fact, many say it is the ultimate organizational performance measure. Shareholder value maximization and shareholder value model mean the same as shareholder value. Shareholder value may also refer to a company's market capitalization. Believers in the free market capitalist system say that shareholder value should be senior management's top priority.*

Generally many research scholars interested in the impact of HRM on OP use a combination of about four dimensions of Organizational performance in their work depending on what they are interested in measuring which may be affected by the size of the company, the industry the company operates in, the aims and objectives of the research.

### **2.3 Human Resource Planning and Organizational Performance**

Most studies of organizational performance define performance as a dependent variable and seek to identify variables that produce variations in performance (March and Sutton 1997). Human Resource Planning is known to be one of those variables that impact on Organizational Performance and is usually considered as the independent variable while studying the relationships between Human Resource planning on Organizational Performance.

Organizations make efforts to achieve performance for the benefits of its stakeholders. In order to achieve performance, firms depend largely on the quality, dedication, skill, expertise and enthusiasm of its employees and managers. This view is supported by Guest (1997) who argues that the distinctive feature of HRM is its assumption that improved performance is achieved through the people in the organization, therefore when the right HR policies are introduced, it is expected that it will bring about positive impact on firms performance.

Several researchers have conducted empirical studies on HRM and OP in several parts of the world. Most of those researches including that of Guest (1997) Patterson et al (1997), Purcell et al (2003), Thompson (2003) and West et al (2002) showed that there is a correlation between HRM practice and firms performance. However there seem to be low level of agreement among researchers when it comes to issue of HR effectiveness. Guest and Conway (2011) in support of this assertion found out in their extensive research that three elements must be present to achieve HR effectiveness. These are a. HR practitioners must be present b. the HR practitioners must be effective and c. the must be effectively implemented.

Many scholars have also held the position that organizations that do formal HRM do not necessarily outperform those that do not engage in formal HRM. However other researchers including the work carried out by Stella Nkomo (2006) agree that while statistical test did not indicate significant differences between the performance of firms using formal human resource planning and firms that do not, it was found out that there was an indication of positive change in performance after the initiation of HRP relative to non-users of such systems. We will now proceed to review and analyse previous research works on HRM and OP of Nigerian Firms.



#### **2.4 Review of Selected Works on HRM and OP of Nigerian Firms**

Several scholars have carried out empirical research work on the relationship between human resource management and organizational performance of Nigerian firms. The studies covered several sectors like manufacturing, oil and gas, banks, fast food, hospitality industry and construction companies. These studies covered the key sectors of the Nigerian economy and can therefore be said to be a fair representation of the study of HRP and OP of Nigeria firms. We will proceed to discuss selected empirical research studies in various sectors that captured the objective of our study.

Chukwuma (2015) carried out a study titled "Human Resource Management Challenge in Nigeria under a Globalized Economy: A Study of Innoson Vehicles Manufacturing Company Nigeria Limited. The study examined the global challenges in human resource management in Innoson motors Ltd, Nigeria with a total of 630 senior staff employees. The population of the study is the entire 630 staff made up of 600 Nigerians and 30 foreigners.

A 4-point Liker scale-type questionnaire was developed and administered on employees. The descriptive statistics were used to analyze the research questions while the Chi-square was used to test the hypotheses at 5% significant level. The results revealed that Nigerians are predominantly employed into administrative positions while the non-Nigerian are employed to man the technical work in the company. The non-Nigerian staffers in the company are all employed as technical staff, indicating that acquisition of technical know-how is the main reason for employing the foreign staff of the company. The recruitment procedure for Nigerian employees is significantly different from the recruitment procedure for non-Nigerians. Thus the study concluded that there is discrimination in the employment processes in the company, wherein the non-Nigerian staff received better treatment and employment terms than Nigerian staff. It was recommended that the management of hi-tech firms in Nigeria should encourage transfer of technical-know-how to engender development of technological and human capital base in Nigeria. On the job training, in-house knowledge sharing and seminars should be encouraged. The government of Nigeria should give more encouragement to the motor manufacturing industry in Nigeria by sponsoring students of tertiary institutions for Industrial Training (IT) in the company. The management of Innoson must have a harmonised programme and process of recruitment of personnel into the company.

Ameh and Daniel (2016) in their study of the Challenges of Human Resource Management practices in the Nigerian Construction firms administered questionnaire on ninety eight human resource managers and construction professionals in two categories of construction organisations (client organisations involved in housing development and contractor organisations). The aim of the study was to assess the extent to which construction organisations in Nigeria use the various traditional HRM practices to improve the performance of the industry. The study identified the most frequently used Human Resource Management Practices as Recruitment and Selection, Training and Development, Motivation and Labour relations. Their findings reveal that due process was followed in the recruitment process but the selections of desired candidates were often characterised by interferences and competitive work conditions. Furthermore, training and development practices were superficial, involving orienting newly recruited employee on facilities for optimum performance rather than

developing employee job related competences. Provision of appropriate/modern working tools and equipment and provision of incentives and benefits to staff were the prevailing motivation and labour union practices.

Challenges facing human resource management practice in the Nigerian construction industry include high labour turnover, interference at the selection stage, competitive wages and compensation issues among others.

The study found that recruitment and selection practices in the construction organisation are distinctly different from those of the manufacturing and banking industry and centres on selection of skilled and technically competent personnel for organisation general goal. The study also revealed that training practices in the construction organisation sampled is superficial, aimed at orienting the new employee to the organisation and the facilities for optimum performance rather than employee skill development. Furthermore, challenges of HRM practices identified in the study are more of socio-cultural issues, and bothers on influence of political office holders and other influential personalities, government policies with regards to recruitment using federal character policy, wages and compensation policies and employee turnover in search of better condition of service.

Awulosi *et al.*, (2015) carried out an empirical study of SHRM and OP in the Nigeria Oil and Gas sector. The purpose of this paper is to evaluate the effects of strategic human resources management (SHRM) practices on the primary measures as expressed by the Organisational Climate and the secondary measures as expressed by the organizational performance, and to find out the effect of the Organisational Climate on the organizational performance of Nigerian oil and gas companies. To achieve this, a total of 450 questionnaire was administered to a randomly selected senior and management staff of ten (10) Oil and Gas Companies, which have implemented SHRM in Nigeria.

Organizational climate was measured through questionnaire that was developed based on the eight organizational climate dimension proposed by Litwin and stringer (1968). Strategic human resources management (SHRM) practices was measured using six dimensions (strategic HRM alignment, selection system, training and development system, performance appraisal system, compensation system, and career planning system proposed by Abdulkadir (2012). Organizational performance was measured by four variables: profitability, growth, sustainable competitive advantage and customer service dimensions. Data collected was subjected to regression and correlation analysis. Seven hypothesis was formulated and tested. Findings based on the survey revealed that strategic human resources management (SHRM) practices positively affected performance measures in the Nigerian oil and gas companies. The results suggest that, Strategic HRM alignment, training and development, Compensation System, Selection System, and Performance appraisal system are the key SHRM practices that influenced both organizational climate and performance in the Nigerian oil and gas industry. Results also suggest that the relationship between SHRM practices and organizational performance in the Nigerian oil and gas industry is moderately influenced by organizational climate.

Olajide *et al.*, (2014) carried out an empirical study of Human Resource Management and Organizational Performance in Nigeria Firms with focus on Fast food and beverage industry.

Data were collected from a survey of 1,940 firms operating in the food and beverage industries in Nigeria. Data collected were analysed using multiple regression model. Explicitly, the model is specified as:  $Y_i = \alpha_i + \beta X_i + \epsilon_i$  (1)

Where Y represents the dependent variable measured by organizational performance and the indices measured are effectiveness, efficiency, development, and innovation. X represents the independent variables of HRM practice such as internal career ladder, employee security, employee voice participation, result oriented performance appraisal, broadly defined jobs, performance based compensation and formal training were measured.  $\alpha$  is the intercept while  $\beta$  is the parameter to be estimated and  $\epsilon$  is the error term. The findings of the study revealed that human resource management (HRM) practices impacted differently on performance measures such as effectiveness, efficiency, development and innovation. While all the human resource management constructs examined for this study were positively related to innovation, formal training system had negative impact on the efficiency of sampled organization. Internal career ladder was also negatively related to effectiveness and efficiency of the sampled organization.

### **3.0 PROBLEMS, ISSUES AND CHALLENGES OF HRM IN NIGERIA**

The primary responsibility of HRM is centred on recruitment and selection, orientation, training, job analysis and evaluation, labour relations and performance appraisal but, some problems and issues have impacted on the performance of these functions by HR practitioners and professionals. Chukwuma (2015) enumerated some of these issues and problems as follows:

*i. Productivity Improvement:* Poor productivity is likely to create unemployment and inflation, decline in standard of living of the masses, hence all hands must be on deck in search of ways to improve productivity and thus strengthen the economy for the betterment of all parties in employment relations. Modern day HR practice has led to greater output and improves quality of products and thus the trend has encouraged HR practitioners in taking active roles on matter impinging on productivity improvement.

*ii. Quota System in Employment:* This is very common in public organization where employment in government establishment is expected to reflect the Federal character principle. The HR practitioners have herculean task in ensuring that employment is carried out in the line with the above principle without compromising merits and standards.

*iii. Labour Dissatisfaction at Work:* This has to do with issues like growing rate of unionization of employees, low morale and alienation from work. Others include labour turnover, brain drain, poor work habits/attitude, industrial conflicts and strikes which are inevitable phenomena in the workplace.

*iv. Social Responsibility by the Employers:* Since the enterprises operating within some communities have made life unbearable for the populace through water pollution and destruction of other natural resources, the enterprises thus have social responsibility in terms of making contributions to the well-being and development of these communities e.g. Oil

companies in Nigeria provide social amenities to the host communities to avert crises. Some oil companies sponsor sporting activities, give scholarship to brilliant and needy students.

v. *Health and Safety at Work*: The focus is on creating of a work environment which minimizes the like hood of an accident or injury. Akin to this, is job stress which can be as hazardous as an unsafe work place. The modern managers have recognized the dangers of potential personal and organization job stress and have taken interest on ways to reduce the problem through medical attention.

vi. *Quality of Work Life (QWL)*: This term refers to the extent to which employees' personal needs are met through their work e.g. one's QWL improves as one's work meets more and more personal needs. Therefore, it is expected that improvements in QWL will affects the performance of the organization favourably. The HR professionals are known to be taking keen interest on issues that relates to job satisfaction and commitment in their bid to promote Quality of Work Life (QWL).

Ameh and Daniel (2014) studied Challenges Confronting HRM Practices in the Nigeria Construction Firm and sampled opinion of respondents against a total of Thirty-two challenges identified from HRM literature. The thirty- two challenges were grouped under three categories: recruitment and selection, training and development, and motivation and labour relations. The result indicates that the main challenges confronting recruitment and selection practices are competition for globally mobile talents, avoiding high experience labour turnover, reducing the cost per hire, recruiting the right person for a specific position, getting the right candidate for vacancies internally advertised and attracting staff with high reputation from other companies. These challenges relate more to issues of recruitment of desired candidate and employee turnover. These findings are supported by Yaro (2014) study which linked recruitment challenges to primordial issues of ethnicity, nepotism, favoritism among others. The finding is also in line with Madubiko's assertion of 'god fatherism', which limits the selection of desired employee.

The issue of employee turnover as a result of search for better work conditions and other benefits is a big challenge confronting the HRM practice in the Nigeria business organizations. The most appropriate employee may be attracted to the oil and gas companies, banks or academics because of better employment conditions. Challenges confronting training and development practice include; identifying staff skill gap, ensuring adequate training so as not to undermine department effectiveness, and ensuring employees are at their best in times of turbulence among others. Most training takes place on the job site and are horridly done in order not to undermine production and profitability. This account for training inadequacy and contrary to Tabassi and Abu Barkar (2009) suggestion of conducting both short and long term training for employee in location outside the work environment. The appropriate time for training workers is during the period of low activities or while waiting for new jobs.

Furthermore, maintaining employee salary structure, maintaining good salary band among categories of workers, and providing adequate retirement benefits among others were the dominant motivation and labour relation challenges. This may be attributed to the absence of trade unions in construction organisations for collective bargaining. In addition, the growth

in construction SMEs which provides competitive services, coupled with the lowest bidder wins syndrome is an impediment to uniform emolument and compensation in the construction industry. This finding unfortunately, account for the high labour turnover reported in Chan *et al.*, 2011 and McGrath- Champ *et al.*, 2011).

#### **4.0 CONCLUSION AND RECOMMENDATIONS**

It is generally agreed by many scholars that the Human Resource is the most important resource of an organization that drives and controls every other resource like capital, technology, infrastructure, customers etc. Thus there is need to put in place proper human resource management practices that will take care and maintain this critical resource of the organization.

Most of the studies carried out showed that there is a relationship between HRM and Organizational performance of Nigeria firms. While there may not be conclusive statistical evidence to show that organizations that adopt formal HRM outperform those that do not, research conducted by some scholars have shown that business organizations in Nigeria witnessed improved performance after initiation of HRP relative to non users of such systems.

Most HRM practices of Nigerian firms are mainly in the area of Recruitment and Selection, Training and Compensation plans. Organizational performance measures emphasise mainly profitability, growth and market share. There are differences in HRM practices of Nigeria business organization depending on the size of the organization, the sector of the economy in which it operates and the level of government regulation operating in the industry or sector. Firms operating in the oil and gas industry have been observed to carry out more corporate social responsibility than their counterparts in the banking sector or food and beverages. Also while recruitment and selection in the banking and hospitality industry may give preference to unmarried beautiful ladies who will attract customers or clients to the organization, Nigeria firms operating in the oil and gas, construction and telecom industry emphasise competence.

There are several issues and challenges confronting HRM practices in Nigeria firms such as how to recruit the desired personnel, turnover of experienced employee, adequate staff training, maintaining good salary band among categories of workers and adequate retirement benefit. Developing the right HRM strategies to contain the above mentioned issues, problems and challenges of HRM practices will ultimately lead to improvement and sustenance of organizational performance of Nigeria firms. We recommend that Nigerian firms should develop and implement merit based recruitment and selection process, provide adequate and regular training of staff, make regular promotions based on periodic performance appraisal of every staff and pay competitive wages and compensation plans depending on the industry or sector in which the company operates. By so doing employee turnover will reduce and the staff will be more committed and better equipped to carry out their duties. This will increase the productivity of employees which will in turn lead to improvement in organizational performance.

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