

## **HUMAN RESOURCE MANAGEMENT PRACTICES AND MANAGERIAL PERFORMANCE OF MANUFACTURING FIRMS IN NIGERIA**

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### **ABSTRACT**

The study investigated the association between human resource management practices (HRMP) and managerial performance (MP) of manufacturing firms in Port Harcourt. 32 manufacturing firms in Port Harcourt as indicated by the Manufacturing Association of Nigeria (MAN), Rivers State Branch, of which 11 manufacturing firms clustered around Trans-Amadi Industrial Layout in Port Harcourt, River State were studied. Data was generated through a structured questionnaire which was given to the respondents. Spearman's Rank Order Correlation Coefficient ( $\rho$ ) was used in analyzing the data using SPSS. It is recommended that, managers and their organization must recognize job security as an important human need and guarantee their employee to bring about increased productivity and commitment. Also managers and their organization should embark on extensive on-the-job training to equip workforce with cognate knowledge and skills that will make them indispensable on the job. Managers should be constantly evaluated in terms of cost of recruitment and average salary of their workforce, as well as other employee-centric parameters. Similarly, managers who fall short on those measures should be trained this to bring them to knowledge on how to effectively manage their workforce. Lastly, managers should endeavor to adopt the leadership style that is suitable to their firm. It was recommended that firms should create an environment of job security as this contributes to managerial performance.

**Keywords:** Human resource management practices, Managerial Performance, and Manufacturing Firms.

## 1. Introduction

Many studies point to the part managers play in making or breaking firms (Maxwell, 2001; Cole, 2002; Eze, 2013). Today's firms operate in increasingly complex and uncertain environments, and this demands that leaders/managers, who are saddled primarily with the obligation of creating the work setting, in which individuals working together can accomplish pre-set goals, must be on top of whatever they find themselves doing. That is, carried out exceptionally for the overall objectives of the firm to be realized. Thus, it is essential for firms to consistently track, using effective measures, the performance of their managers. The outcome of such an analysis will aid in identifying managers that are meeting, exceeding or falling behind their targets.

As Miller, Madsen and Cameron (2006) have supposed; the knack of a firm to successfully adapt its structures to its environment depends on to a large extent the performance of its managerial team. Managerial performance (MP) measures vary depending on industry and level. It can be quantitative or qualitative. In this work, we will adopt two measures of MP suggested by Iveta (2012). These are: recruiting cost and average salary. The first measure, recruiting cost, involves the managers effectively managing the costs of advertising for the vacant position, piloting the interview and opting for the most suitable candidates for vacant posts in the firm. Conversely, average salary, is the comparative amount earned by the workforce in the firm in comparison to industry competitors.

To get the best out of human being certain human resource management practices (HRMP) must be carried out by the managers. These practices include recruitment and selection of potential workforce, induction and orientation, training and development, compensation and rewards, promotion and transfer, retirement, etc.

For the purpose of this work, two of the several HRMP that are suitable for industry under study were adopted from the work of Schroeder and Ahmad (2003). They are employment security and extensive training. Employment Security is the feeling the workforce have of remaining under employment of the firm over a long period of time. That is, the assurance that their firm will continue to provide gainful employment to them. Training, on the other hand, is the human resource practice of educating workforce on the needed job skills and upgrading their knowledge-base with the cutting edge skills and competencies (Gong, Chang & Xin, 2009).

Empirical evidences have also shown that HRMP influence the performance of manufacturing firms, and the proper implementation of these practices enhances competitiveness and survival (Jayaram, et al. 1999; Schroeder & Ahmad, 2003). A considerable amount of empirical studies has been conducted to measure the impact HRMP has on organizational performance (OP) in several industries and countries (e.g. Schroeder & Ahmad, 2003 Bartel, 2004; Gong, *et al.* 2009; Sendogdu, *et al.* 2013). HRMP have also been found to influence employee performance and other employee outcomes (e.g. Akhter, Siddique & Alam, 2013; Makhmara, Waiganjo & Kwasira, 2016).

However, while there is ample literature on the relationship between HRMP and OP, there appears to be scanty scholarly works examining the effect HRMP has on MP, specifically in the Nigerian Manufacturing Sector (NMS). This is quite unfortunate as the importance of MP in the well-being of manufacturing firms cannot be overstated (Schroeder & Ahmad, 2003). Based on this observation, this study is set to fill this void by examining the impact HRMP has on MP of manufacturing firms in Port Harcourt, Nigeria.

Nevertheless, there are several reasons given for this poor MP in the country, Oyewole (2004) posited that non-availability of information on inventions, lack of product innovation, poor usage of information and communication technology, poor managerial and technical know-how are some of the reasons for the poor MP of the NMS.

The resultant effect of this poor MP by the MS can be seen in its low contribution to the country's GDP, which was 9.29% as at 2015 (NBS, 2015). Whereas, in other developing countries like Malaysia, MS contributes about one third of the country's Gross Domestic Product and 70% of the country's exports come from manufacturing, thereby impacting positively on the country's economic growth (Abdullah, 2009).

Another observable effect of decline in the MP of manufacturing firms in the country includes the loss of jobs by several youths. This was as a result of the closure of several manufacturing firms in the country (e.g Michelin, Dunlop). In a disheartening report, The Manufacturing Association of Nigeria reported that between the years 2000 and 2008 over 820 manufacturing firms shut down operations in the country (MAN Annual Report, 2009).

The problems confronting the MS in the country and its subsequent manifestation of poor internal business processes, decline in output, lack of innovation, inability to effect change along international best practices has persisted despite several attempts by government to revamp the sector. This has given rise to the need to investigate whether the proper implementation of HRMP could help boost the MP of the MS in the country.

## **2. Theoretical Framework**

The concept of human resource management (HRM) is underpinned by the Resource-Based View (RBV) theory. This can be seen in the dominant use of the RBV as the baseline theory of HRM (Delery & Shaw, 2001; Dunford, Snell & Wright, 2001). An empirical review of literature on HRMP and performance showed that the RBV has been repeatedly used as the baseline theory by scholars. Fundamental concept in this aspect of management is focused on "best practices" versus "best-fit practices" (e.g. Delery & Doty, 1996; Wood, 1999; Guest, et al. 2001).

As opined by Delery and Shaw (2001), choosing the RBV creates the opportunity for the researcher to enjoy several advantages in examining the strategic nature of HRMP and its impact on performance. This point was further buttressed by Dunford, Snell and Wright

(2001) who opine that the RBV of the firm has great impact on the field of strategic human resource management (SHRM) in several ways, which cannot be quantified.

In practice, the importance and contribution of human resource is the concern of the RBV theory. It is the ability of the human capital to be flexible in their duty that brings about sustained performance and reduction in the costs of production, while increasing effectiveness and efficiency of the human capital in the firm (Hamel & Prahalad, 1993). Hamel and Prahalad (1993) further submitted that, the most effective method to increase competitive advantage of a firm is by adding value, and uniqueness to its human resources, which is the core concern of RBV theory. Lastly, Contemporary studies have shown that the resource based theory add value to firms' specific intellectual capital (e.g., Barney & Wright, 1998; Barney, 2001; Gong, et al., 2009).

### **2.1 Concept of HRMP**

Human resources are strategic assets (Shapiro, et al. 2013). Human resources are the workforce and staff available in an organization. While, Diebolt (2013) submits that, human resource is the available stock of skills and competences that an organization possesses in its workforce. Harnessing these skills and competences to improve on the productivity of the firm lead to HRMP, there is no generally accepted definition for these practices. Notable scholars have given several definitions of HRMP among which include Schuler and Jackson (1987), who defined HRMP as "a system that attracts, develops, motivates, and retains workforce to ensure the effective implementation and the survival of the firm and its members".

HRM has continued to attract attention and its practices as been said to be a crucial concern for organization's strategists and managers (Barney, 1995; Shahnawaz & Juyal, 2006). This has led to most firms devoting more resources to the development of their intellectual capital since that is the most crucial and important asset they have. The importance of HRMP to the competitiveness of the firm was noted by Lado and Wilson (1994) who opined that HRMP plays an important role in the sustainable competitiveness an organization through the generation of organization base knowledge and practices which foster the development of firms' specific competencies, production processes and innovations. The development of specific organization's knowledge is the basic technique most firms use to stay above the others in their industry and helps in innovativeness of the firm.

Becker and Gerhart (1996) understood the strategic role that HRMP play in a firm when they concluded in their work that HRMP strengthen the creation of value that is beyond the conventional method which is concerned with the reduction of production costs. This opinion is further supported by the resource-based theory of the firm, which argued that intellectual capital obtainable within the firm has attributes which is firm specific and can hardly be replicated since its attributes which include specificity, causal ambiguity, path dependency may not be the same with other firms (Barney,1991; Collis & Montgomery,1995; Russell, 1997).

### **2.1.1 Employment Security**

Employment security is viewed as the prospect that workforce are not speedily lay-off due to substances beyond their control, the practices ensures that workforce feel safe working in the firm and put in their apparent best in discharging their duties. Vlachos (2009) submits that employment security helps workforce to remain focus on their job without fear of being fired the next moment.

In an earlier study Pfeffer (1998) asserted that providing job security to workforce does not necessarily mean that, the firms will not lay-off some workforce. However, employment security provides the platform and understanding that workforce will not be sacked based on the mismanagement or mistake of the top level management. Furthermore, Pfeffer (1998) opines that employment security rekindle high level of confidence within the workforce which helps in nurturing commitment among the workers and in turn enhances the overall performance of the organization.

A conceptual model was developed by Probst (2002) on the antecedent and consequences of employment security. The antecedents include “worker characteristics, job characteristics, organizational change and job”, while the consequences included “psychological health, physical health, organizational withdrawal, unionization activity, organizational commitment and job stress”. This relationship was moderated by “employee involvement, cultural values, and procedural justices”.

Lastly, Pfeffer (1998) observe that firms stand to gain immensely, by promoting employment security, as it encourages workforce to take a longer-term perspective on their jobs and see themselves growing as the firm is expanding and put in their best to ensure the firm perform better.

### **2.1.2 Extensive Training**

The importance of workforce’ extensive training as a HRMP and to the achievement of overall OP has been highlighted by notable writers in the field of management (Mohinder & Katou, 2007; Smith & Smith, 2007). Many scholars in the field of HRM and practitioners considered extensive training of workforce as an important and strategic function of human resource managers (Wright, et al., 2003; Whitney, 2005). Empirical evidences as shown by Aravamudhan and Krishnaveni (2015) revealed that continuous training of workforce has both qualitative and quantitative impact on the overall performance of the firm through the enhancement of the skills and competences. While earlier studies by Bartel (1994), Lyau and Purcel (1995) and Hollis (2002) reveal that training helps in the improvement of the competitiveness of the firm.

Boselie, et al, (2005) in their studies on the effect of HRMP on performance, opine that employee training and manpower development is among the high-ranking and one of the most significant HRMP in management. This shows that the extensive training of workforce

keeps the workforce especially those handling managerial positions abreast with the latest technologies in the industry and helps stimulate managerial and overall OP.

Training was defined by Palo et al, (2003) as the “process of upgrading the knowledge, developing skills, bringing about attitude and behavioral changes, and improving the ability of the trainee to perform tasks successfully and proficiently in firms”. However, in the study, extensive training is define as the managerial function of continuous impacting of knowledge, skills and competencies on the workforce in order for them to keep up the trend and happenings in their industry and be able to compete favorably among their peers elsewhere.

Propagators of the human resource theory opined that extensive training of workforce significantly enhance their skills level and lead to better competencies, which will culminate into improved OP and sustainability of the firm (Youndt, *et al.*, 1996; Dennis & Johnson, 2003; Salas & Cannon, 2009). Subsequently, the importance of extensive training of workforce by management has been emphasized upon by both practitioners and scholars (Bacon & Hoque 2005; Beaver & Hutchings, 2005; García, 2005).

## **2.2 Concept of MP**

In today’s competitive business environment, every organization that intends to grow and survive needs to attract, develop, and retain effective managers to lead its business (Bhardwaj & Punia, 2013; Karif, 2009). Bates (1990) submits that every successful manager possesses several proficiencies that enabled him to perform competently and excellently at different managerial levels. Although there are several scholarly works examining the concept of OP and the effect of HRMP on performance, relatively very scanty literature explored the importance of MP to the success of business firms. As noted by Kalleberg and Leicht (1991) effective MP help businesses to operate for achieving success disclosed robust works on business survival, growth in sales and profitability as well as in growth in size of the firm”. The concept of MP has not really been exposed to the level of discuss it suppose (Karif, 2009). More of the management scholar writings are on the general concept of OP as a whole.

El-Kot (2004) in his study on the MP of managers in Egypt suggested the following managerial functions as the measures of MP “planning and decision-making ability, self-confidence and charisma, educational achievements, communication skills, past experience, leadership ability”.

Bhardwaj and Punia (2013) conceptualized MP in terms of managerial competencies such as “communication skills, team-working, proactiveness, vision, self-management, result-orientation, strategic-orientation, ambition, persistence, decision making, risk taking and creativity”. They concluded by submitting that MP depends greatly on the competences of the manager. Therefore, advising practicing managers to make efforts to develop their competencies suitable to their operating environment.

There are several measures of MP in management and organizational literature. These include: the ability to manage innovation, networking, people management, achieving organizational goals, ability to lead change (Karif, 2009). Similarly, Iveta (2012) measure MP using the key performance indicators such as “idea management, labor, average salary, recruitment flexibility, recruitment cost”. However, for the purpose of this study, two of the measures (recruitment cost and average salary) as proposed by Iveta (2012) were adopted, as they are suitable for the industry under review and are contentious issues confronting human resource (HR) managers in the MS.

### **2.2.1 Recruiting Cost**

Employee recruitment is the process, strategies and structures put in place by the firm for the sourcing of prospective candidates and to inspire them to apply for available spaces in the organization (Pattanayak, 2005). For Barber (1998), the resourceful management of the recruitment process is a crucial and important determinant of organizational success; it also helps the firm to attract suitably qualified candidates for vacancies.

Holbeche (2001) in her work on the alignment of human resources with the organizational strategies concluded that all firms irrespective of their nature of business explore for ways to minimize the cost of employing and maintaining workforce. Similarly, Buhler (2002) opined that “cost is an important factor in the recruitment process” and it is used to evaluate how impelling and proficient a manager is.

Billsberry (2007) opines that, it is only through attracting and retaining talented HR that a firm could achieve competitive edge over its contemporaries and this could only be achieved when the recruitment process is well managed through the minimization of cost. However, Sim (2002) noted that, the cost of recruiting is on the increase, he suggested that managers be prudent in managing the process. Therefore, to determine how impelling a manager is, the amount spent in the recruiting process should be evaluated and compared to industry average.

### **2.2.2 Average Salary**

The issue of pay is a contentious issue in HRM (Rasch & Szytko, 2013). HR managers are constantly under competitive pressure to manage and achieve better quality with little resources (Gerhart, Minkoff & Olsen, 1995). Therefore, managers struggle to streamline the amount spent on remuneration so as to maintain a happy workforce, while at the same time minimizing cost for the firm.

Compensating workforce is a mounting task every HR manager is confronted with because it plays a central role in management – employee relationship, it is also critical to the workforce since they depend on their pay (wages and salaries) to take care of pressing issues, therefore may attach so much importance to it (Gerhart, *et al.*, 1995). However, for employers, salaries and wages is part of the cost of carrying out a business. Thus, in order to remain competitive in the market place, they must be willing to compensate their workforce adequately, so as to attract the qualified individuals and be able to retain their services.

In a recent report on how to get the best of workforce, Wiley (2011) submitted that, 25 percent of workforce required pay satisfaction from their workforce. They suggested that, when workforce feels that the pay they are getting is fair, they tend to commit more to the firm, it also reduces turnover intentions, work related stress, and boost their life satisfaction. Therefore, ensuring workforce is satisfied with their pay package assures better job outcomes from the workers. However, employers also stand to gain a lot from a happy workforce. Measuring and evaluating the average salary of staff in comparison to the industry average gives an exact idea on the performance of HR managers.

### **2.3 HRMP and MP**

Empirical evidences show that HRMP have significant relationship with performance of managers in firms, although more of the available literature revealed that most scholars examined the impact HRMP has on the overall performance of the firm and concluded that HRMP has a strong impact on performance of business (Cassar, 2004). In a study on the impact of HRMP on the innovativeness of business firms, Willems (2015) submitted that for the firms to maintain pace with its competitors, it must adopt proper HRMP which will enhance workforce' ability to innovate. In his analyses he found that HRMP of training contributed the highest quota to business ability to innovate and keep pace with the changes in the market.

HRMP such as training and development, reward and compensation system, employee empowerment have been shown to have great impact on the MP of firms by aiding in the application of managerial functions such as: networking, managing innovation, research and development, leading change (e.g., Covin & Selvin, 1991; Bhide, 2000; Cassar, 2004; Covin et al., 2006). HRMP and MP has been studied in relation to variables such as OP (e.g., Becker & Gerhart, 1996; Lall, 2007; Gong, et al., 2009; Atteya, 2012); operational performance (e.g., Ahmad & Schroeder, 2003); organizational growth (e.g., Greiner, 1998; Bhide, 1999; Flamholtz & Randle, 2000; Watson, 2006; Vlachos, 2009); competitive advantage (e.g. Boxall & Steeneveld, 1999); organizational commitment (e.g., Sendogdu *etal.* 2013).

### **2.4 Leadership Style, Human Resources Management Practices (HRMP) and Managerial Performance (MP)**

Leadership is a process influenced by the social environment in which the leader seeks to receive voluntary participation and obedience from subordinates in an effort to achieve organization objectives Bunmi (2007). A leader is a person who delegates or influence others people to act and carry out specified goal Mullins (2004). Firms in recent times need leaders who understand the complexities of the changing international environment.

Leadership Style and Performance in the field of organizational behavior is a very important subject. It has the most dynamic effects on individual and organizational relationship with the ability of management to execute "collaborated effort" depending on style's capability. Excellent leader inspires their followers potential to achieve efficiency and meets the

requirements in the process of attaining organizational objectives Lee and Chuang (2009). Stogdill (1957), in his definition states that leadership in the individual behavior sense, direct groups to achieve a common goal.

The impact of leadership on performance is also important because some researchers view it as one of the major factor for improving an firm's performance. Impelling leadership is a potent source of management practice in sustaining competitive advantage for improved OP (Avolio, 1999; Lado, Boyd and Wright, 1992; Rowe, 2001). The transactional leader help firms attain their immediate goals resourcefully by linking job performance to valued rewards and ensure the resources are available for workforce to do their job (Zhu, Chew and Spengler, 2005). Visionary leaders introduce strategic visions and communicate them with the use of metaphor, model the vision by acting always, and develop commitment for the vision (Avolio, 1999; McShane and Von Glinow, 2000). Zhu et al. (2005), in his contribution said a visionary leadership will indulge in high levels of force, commitment, trust, motivation to ensure performance in the new environments.

## **2.5 Empirical Review**

On knowing the importance of HRMP and MP so many scholars have studied the concept using different dimensions and measures. Among these scholars are; Sohel & Roger (2003) that studied the impact HRMP have on operational performance with the aim of examining the differences that exist in manufacturing practices in different countries and industries plants (Flynn et al., 1996). Using 107 manufacturing plants with 1153 employees of both salaried and hourly workers. He randomly selected from automobile, electronics, and machinery industries. Also empirically, they cannot ascertain whether there is any relationship directly or indirectly that exists between insecurity of employment and performance of organization, and difference in status and OP.

In another study, Marwat, Qureshi & Ramay (2013) with a sample size of 60 respondents on the topic Impact of Human Resource Management (HRM) Practices on Workforce Performance in Pakistani Telecom Sector, whose aim was to know whether HRMP contribution to employee performance. The implication of the outcome of the study is that firms who desire high growth should increase the participation of their workforce and also by paying attention to training, selection, compensation and motivation for workforce.

### ***Research Hypotheses***

In order to answer the above questions, the following hypotheses were stated in the null form:

- H0<sub>1</sub>:** Employment security does not significantly correlate with recruiting cost of the manufacturing firms.
- H0<sub>2</sub>:** Employment security does not significantly correlate with average salary of the manufacturing firms.
- H0<sub>3</sub>:** Extensive training does not significantly correlate with recruiting cost of the manufacturing firms.

**H0<sub>4</sub>:** Extensive training does not significantly correlate with average salary of the manufacturing firms.

**H0<sub>5</sub>:** Leadership style has no significant influence on the relationship between human resource management practices and managerial performance of the manufacturing firms.

### 3. Methodology

The cross-sectional survey design was adopted, because it is concerned with the collection of necessary data from correspondents at a single point in time and analyzing it (Olsen & George, 2004). Also, the cross-sectional survey design is suitable when a study is concerned with the test of link between two or more variables (Sekaran, 2003).

A purposive sampling technique was adopted to select the eleven (11) manufacturing firms clustered in the Tran-Amadi Industrial Area of Port Harcourt for easy accessibility of respondents and One Hundred and Nine (109) managers and supervisors represented the sample size for the study.

Therefore, the sample size for this study comprises the entire population of personnel managers and the supervisors of the eleven (11) firms, totaling one hundred and nine (109). The personnel managers and supervisors were chosen since this study has to do with the formulation and implementation of HRMP and how it relates with the MP in these firms. Table 3.1 shows the selected eleven (11) manufacturing firms in Port Harcourt, Rivers state and the corresponding number of personnel managers and supervisors.

**Table 3.1: Selected Manufacturing Firms**

S/n	Names of Manufacturing Firms	HRM &HR Supervisors
1.	Air Liquide Nig. Ltd	13
2.	Dulfil Prima foods Ltd	9
3.	Rivers vegetables company. Ltd	16
4.	West African Glass	11
5.	General Agro industries limited	8
6.	Berger paints Nigeria PLC	9
7.	Nigerian Bottling company limited	12
8.	Pabod breweries limited	10
9.	Polo packing industries limited	7
10.	Melford furniture limited	6
11.	United plastics industrial	8
	<b>TOTAL</b>	<b>109</b>

*Source: Fieldwork, 2018*

In this study, data was collected both from primary and secondary sources. Primary data is data generated by the researcher and mostly through survey. Secondary data is the data which have already been gathered and processed by another person and easily accessible for a researcher to make use (Hox & Boeije, 2005; Leeuw, 2005).

The primary data for this study was generated via the use of a structured questionnaire. The questionnaire was designed to collect data from the respondents on the concepts of HRMP, MP and leadership styles. The secondary data for this study was gotten from an extensive review of journal articles, textbooks, columns in newspapers and other online materials.

In this study, the validity of the instrument was ascertained via the use of face and content validity. However, to ensure content validity, an in depth review of scholarly articles and textbooks, was carried before developing the instrument (Gregory, 1992).

The reliability of the questionnaire was ascertained with the use of the test-retest reliability technique by administering the instrument on 40 members of the firms under review was part of the sample respondents. The data was analyzed using the Cronbach Alpha via the SPSS version 21, items that returned values of .7 and above were used for this study. This justified the conditions prescribed by Cronbach and Meehl (1955), Nunnally and Bernstein (1994), and Thompson (1999).

### 3.1 Result and Discussion

This section shows the results and analyses obtained from the tests of the stated hypotheses using Spearman's Rank Order Correlation Coefficient via the Statistical Package for Social Sciences (SPSS) version 21.

#### Test of Hypotheses

**H0<sub>1</sub>: There is no significant relationship between employment security and recruiting cost of the manufacturing firms.**

**Table 4.6: Correlation between employment security and recruiting cost**

		Employment Security	Recruiting Cost
Employment Security	Correlation Coefficient	1.000	.716**
	Sig. (2-tailed)	.	.000
	N	87	87
Recruiting Cost	Correlation Coefficient	.716**	1.000
	Sig. (2-tailed)	.000	.
	N	87	87

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

The result shows a strong positive correlation between employment security and recruiting cost of the manufacturing firms, with  $\rho = .716$ ,  $n = 87$ ,  $p < .01$ . This result shows a high positive correlation between the two variables. Thus, the null hypothesis was rejected.

**H0<sub>2</sub>: There is no significant relationship between employment security and average salary of the manufacturing firms.**

**Table 4.7: Correlations between Employment Security and Average Salary**

		Employment Security	Average Salary
Spearman's rho	Employment Security	1.00	.811**
	Correlation Coefficient		
	Sig. (2-tailed)	.	.000
	N	87	87
Average Salary	Average Salary	.811**	1.00
	Correlation Coefficient		
	Sig. (2-tailed)	.000	.
	N	87	87

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

Table 4.7 reveals that employment security is strongly correlated with average salary with rho = .811, n= 87, P < .01. Therefore, the null hypothesis was rejected. Thus, the alternative which stated that there is a significant relationship between the two variables was accepted.

**H0<sub>3</sub>: There is no significant relationship between extensive training and recruiting cost of manufacturing firms.**

**Table 4.8: Correlations between extensive training and recruiting cost**

		Extensive Training	Recruiting Cost
Spearman's rho	Extensive Training	1.00	.547**
	Correlation Coefficient		
	Sig. (2-tailed)	.	.00
	N	87	87
Recruiting Cost	Recruiting Cost	.547**	1.00
	Correlation Coefficient		
	Sig. (2-tailed)	.00	.
	N	87	87

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

Results in Table 4.8 Revealed that the two variables are moderately correlated with rho = .547, n = 87, p < .01. Based on the result the null hypothesis was rejected, while the alternative hypothesis which states that, there is a significant relationship between extensive training and recruiting cost accepted.

**H0<sub>4</sub>: There is no significant relationship between extensive training and average salary of the manufacturing firms.**

**Table 4.9: Correlations between extensive training and average salary**

		Extensive Training	Average Salary
Spearman's rho	Extensive Training	1.00	.706**
	Correlation Coefficient		
	Sig. (2-tailed)	.	.000
	N	87	87
	Average Salary	.706**	1.00
	Correlation Coefficient		
	Sig. (2-tailed)	.000	.
	N	87	87

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

The result obtained as revealed in table 4.9 above showed a convincing positive correlation between extensive training and average salary with  $\rho = .706$ ,  $n = 87$ ,  $p < .01$ . Thus, the null hypothesis was rejected.

**H0<sub>5</sub>: Leadership styles have no significant influence on the relationship between HRMP and MP of the manufacturing firms.**

**Table 4.10: The Moderating effect of leadership styles on the relationship between Innovativeness and Resilience**

Control Variables			HRM PRACTICES	MP	LEADERSHIP STYLES
-none <sup>a</sup>	HRM PRACTICES	Correlation	1.000	.795	.574
		Significance (2-tailed)	.	.000	.000
		Df	0	87	87
	MP	Correlation	.795	1.000	.406
		Significance (2-tailed)	.000	.	.000
		Df	87	0	87
	LEADERSHIP STYLES	Correlation	.574	.406	1.000
		Significance (2-tailed)	.000	.000	.
		Df	87	87	0
LEADERSHIP STYLES	HRM PRACTICES	Correlation	1.000	.447	
		Significance (2-tailed)	.	.000	
		Df	0	82	
	MP	Correlation	.447	1.000	
		Significance (2-tailed)	.000	.	
		Df	82	0	

a. Cells contain zero-order (Pearson) correlations.

Table 4.10 shows the result of the moderating effect of leadership styles on the relationship between HRMP and MP of the firms. The section labeled none<sup>a</sup> showed the result when there was no moderating effect.

The result of the partial correlation (removing the effect) showed that leadership styles positively moderated the relationship between HRMP and MP ( $\rho = .447$ ,  $n = 82$ ,  $p > .000$ ), with high levels of HRMP associated with high level of MP. The reading on the zero order correlation ( $\rho = .795$ ) points out that leadership styles has moderate influence on the relationship between HRMP and MP. Therefore the hypothesis was rejected.

#### 4. Discussions

This study explored the relationship between HRMP and MP of manufacturing firms in Port Harcourt, Rivers State. Also, the moderating influence of leadership styles on this

relationship was tested. The hypotheses formulated were analyzed with the use of Spearman's Rank Correlation Coefficient statistical tool, while the moderating effect of leadership styles was tested through a partial correlation. The analyses were carried out through the use of statistical package for social sciences (SPSS) version 21. The analyses were made in chapter four. Based on the Cohen's (1988) condition of accepting or rejecting hypotheses, all the null hypotheses stated were rejected. Likewise, the analysis revealed that taking out the effect of leadership styles have a moderate influence on the relationship between HRMP and MP. Therefore, the hypothesis was rejected. The findings of this are in consonant with several other studies (e.g. Becker & Gerhart, 1996; Watson, 2006; Lall, 2007; Vlachos, 2009; Gong et al., 2009; Atteya, 2012). In Gong et al. (2009) in their study on the influence HRMP on the general performance of the firm, using firms based in China as study elements, concluded that human resources management practices positively influence the ability of the managers to perform by building commitment of workforce.

In Gupta and Singhal (1993), it was concluded that impelling management of HR helps manager in being creative and innovative in the discharge of the functions, therefore, signifying positive relationship between HRMP and performance of managers. Similarly, Stavrou-Costea (2005) submitted that "the impelling HRM can be the main factor for the success of a firm", meaning that for managers to achieve high level of performance, they must adopt appropriate HRMP. According to Tan and Nasuridin (2011), an organization's perspective of HRMP significantly influences the performance of their managers. They asserted that "if HRMP properly realigned, it can play a vital role in contributing to the management of organizational knowledge, and innovation will be realized through the ability to use the knowledge to identify and pursue the opportunity".

The last hypothesis sought to investigate the moderating effect leadership styles have on the relationship between HRMP and MP. Thus, it was hypothesized that, leadership styles does not influence the relationship between the two variables. However, this hypothesis was rejected as the result showed that, taking out the moderating of leadership styles have a moderate effect on the relationship between the two variables. In Zaini, Nilufar and Syed (2009) study on the relationship between HRMP and business performance, they concluded that due to diversity among the composition in the 21<sup>st</sup> century workforce, managing the diverse opinions to achieve success requires appropriate and impelling leadership. Besides, in a country like Nigeria where workforce is made up of multi-culture the "failure in managing human capital and maintaining the harmony within (the) firm will create fatal problems to the firms" (Zaini, Nilufar & Syed, 2009).

## **5. Conclusion**

Established by the results obtained from the analyses of data above, it was concluded that HRMP is significantly related to MP of the manufacturing firms in Port Harcourt, Rivers State. Also, leadership styles (democratic or participatory) reported a significant influence on the relationship among the variables.

### **5.1 Recommendations**

The following recommendations were made to help enhance the MP of the manufacturing firms in Port Harcourt, Rivers State:

1. Managers and their organization must recognize job security as an important human need and guarantee their workforce of it, to bring about increased productivity and commitment.
2. Managers and their organization should embark on extensive on-the-job training to equip workforce with cognate knowledge and skills that will make them indispensable on the job.
3. Managers should be constantly evaluated in terms of cost of recruitment and average salary of their workforce, as well as other employee–centric parameters.
4. Managers who fall short on those measures should be trained to bring them to knowledge on how to successfully manage their workforce.
5. Managers should endeavor to adopt ‘best-fitted’ leadership style that is suitable to their firm at every point in time.

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