

## HUMAN RESOURCE MANAGEMENT PRACTICES AND ORGANISATIONAL INNOVATION IN BANKS IN BAYELSA STATE

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### ABSTRACT

This work assessed the impact of Human Resource Management (HRM) practices on organizational innovation in banks in Bayelsa State of Nigeria. Data was collected using questionnaire administered to 143 employees from the selected banks. The Spearman Rank-order correlation coefficient was used to test the relationship between the variables under review while the partial correlation was adopted to evaluate the moderating effect of corporate culture on the relationship between HRM practices and organizational innovation. Finding revealed a positive and significant relationship between performance appraisal and all measures of organizational innovation, career management has negative relationship with product and process innovation and a positive relationship with administrative innovation, training and development is negatively related with all the measures of organizational innovation, corporate culture has no moderating effect on the relationship between HRM practices and organizational innovation. Based on the findings, it is concluded that HRM practices has a significant influence on organizational innovation and some of the recommendations are management should reward employees for being innovative and should encourage and reward creativity. Also management should have belief, values and management practices that foster developing new ideas into products, processes, object and services.

**Keywords:** *Human Resource Management Practices, Performance Appraisal, Career Management, Training and Development, Organizational Innovation, Product Innovation, Process Innovation and Administrative Innovation.*

## INTRODUCTION

The banking industry in Nigeria has undergone significant changes over time through ownership and operations. This changes has created several challenges in the banking industry which I identify as deregulation of financial sector, globalization, acceptable requirement that is recognized internationally etc. During the period of Soludo, the banking industry was so feeble that it presents enormous bottle necks. It acknowledged some specific bank challenges like those having weak structures, operation and low assets (Soludo, 2004). Most industry or sector sees OI (Organizational innovation) as important tools to have competitive advantage over others in a business environment. In 2009, the economy of the world was faced with economic and financial crisis which posed a temporal decline in the US economy in 2009. As a result of this, most financial institutions that are recognized in the world collapsed and this event also affected the Nigerian economy and the banking sector in the country. Banking sector strive to transform their services from traditional to technological base by creating new services, new processes and product in order to keep a strong competitive advantage over other competitors. One of the methods for OI to improve is having an effective HRM practices. Banks in Bayelsa state are faced with intense competitive business environment. The last few years have been transformative for Nigerian banks beginning from the period under Charles Soludo to the last three years when Sanusi Lamido Sanusi gripped the banking industry or sector by the neck and shook it out of slumber; Nigerian banks have not remained the same. Given this increasing competition in this industry and rapid technological evolution; Managers, directors and Administrators asking workers (employees) to be creative (innovative) might seems very easy but having an innovative environment for influential valued new processes and product is quite a bottle neck. To drive organizational innovation which have been divided as (process, product and administrative innovation), banks should define what is needed for result in an innovative perspective.

Damapour and Evans (1984) in Tan & Narsurdin (2010) distinguished between technical innovation as that which take place in the technical sectors (system) in the organization and administrative innovation as that which take place in the social sector (system) in the organization. This sector is seen as the relationship which exists between people that interact to attain a set goal. Emphasizing the importance of innovation for organizational success are those industry that show demonstrative rapid, flexible product innovation and timely responsiveness in addition with effective co-ordination of management capability and the redeployment of internal competency and external competency. Industries are looking for more ways to adopt new working benchmark like enhancing communication with workers, flexibility in job assignment, problem solving team, great reliance on incentive and workers training for multiple jobs. HRM has move from transactional roles, traditional personnel and administrative that are increasingly outsourced. HRM presently postulates the addition of value in an organizational strategic utilization of workforce and their program as it affects the business in a measurable ways.

Notable author in this topic are Tan and Narsuridin (2010) who stated in their study the positive effect performance appraisal have on administrative innovation, the negative effect reward system have on product innovation, negative effect recruitment had on process innovation, there is no negative effect on the part of career management on the three kind of innovation while training had profound effect on organizational innovation.

The researcher having viewed the work of these authors observed that there is a gap in literature that is the study was constrain to manufacturing sectors in which their result may be concerned to manufacturing sector, and this work was carried out in the western world which means a different culture other than Nigerian culture. This suggests that the results from these finding may be in doubt and cannot be generalized, therefore this research was intended to address HRM practices and how it affects organizational innovation and corporate culture in service industry or sector.

### **Statement of the Problem**

In Nigeria, The dynamic changes in the Nigerian banking sector have made players in all sectors to re-strategize business organization. The operation of the sector is to meet arising bottle necks of bank consolidation, minimizing operating cost, pay and settlement system etc. it create the need for adequate HRM practices through innovation.

Many financial institutions today are locked in a serious battle for market share and market leadership, but firms that are more innovative are likely to lead the way in this fierce competition in the industry. Banks like All State Trust Bank and so many others could not survive the harsh business environment in Nigeria that has seen over 10 financial institutions go down including the likes of Intercontinental bank whose main problem was the loss of its key employees to other banks in the industry (Afolabi, 2015). Banks like Union Bank are still in the industry but cannot boast of the kind of success more innovative banks like GT bank and First bank possess. Banking activities is now easier with the current innovation of new generation banks and it has clearly made the difference. These innovations usually boils down to the human capital available to the organization.

The banking industry in Nigeria comprises operational and structural shortfalls which led to several restructuring over time due to lack of innovation in the industry. To NDIC, reports were linked with poor board and management oversight, inadequate facilities, foreign exchange trading, fraud, reliance of public sector deposits, dwindling quality of asset and lack of skilled manpower (NDIC, 2008).

### **Aim and Objectives of the Study**

This study seeks to ascertain the influence of HRM practices on organizational innovation. It will seek to:

- Ascertain the influence of performance appraisal on product innovation
- Ascertain the influence of performance appraisal on process innovation
- Ascertain the influence of performance appraisal on administrative innovation

- Ascertain the influence of career management on product innovation
- Ascertain the influence of career management on process innovation
- Ascertain the influence of career management on administrative innovation
- Ascertain the influence of training and development on product innovation
- Ascertain the influence of training and development on process innovation
- Ascertain the influence of training and development on administrative innovation
- Ascertain the influence of corporate culture on the relationship between HRM practices and organizational innovation

## **RESEARCH HYPOTHESES**

The following hypotheses formulated shall be tested empirically in the course of this study.

Ho1: there is no significant relationship between performance appraisal and product innovation.

Ho2: there is no significant relationship between performance appraisal and process innovation.

Ho3: there is no significant relationship between performance appraisal and administrative innovation.

Ho4: there is no significant relationship between career management and product innovation.

Ho5: there is no significant relationship between career management and process innovation.

Ho6: there is no significant relationship between career management and administrative innovation.

Ho7: there is no significant relationship between training and development and product innovation.

Ho8: there is no significant relationship between training and development and process innovation.

Ho9: there is no significant relationship between training and development and administrative innovation.

Ho10: corporate culture will not moderate the relationship between HRM practices and organizational innovation.

## **Scope of the Study**

**Content Scope:** This study is limited to literature review on human resources management and organization innovation with one mediating factor - corporate culture.

**Geographical Scope:** Geographically, this study covers banks within Yenegoa metropolis of Bayelsa State.

## **Unit of Analysis**

Unit of analysis will be micro on organizational level of analysis.

## **Limitation of the Study**

The main limitation to this study has been the unwillingness of each bank worker to disclose the information of the bank's operations in terms of innovation which may also lead to bias response and other curriculum of activities undertaken during the research period.

## **LITERATURE REVIEW**

### **Theoretical framework**

The theoretical foundation for this study is based on the ERG THEORY and the Two Factor theory.

### **THE ERG THEORY**

This study is based on the ERG theory by Clayton Alderfer which is similar to Maslow's hierarchy of needs. However, ERG theory has only three categories namely: existence needs (similar to the Maslow's basic needs), relatedness needs (pertaining to satisfactorily relating to others) and growth needs (referring to self-development, creativity, growth and competence). Thus, ERG refers to those three categories of existence, relatedness and growth. For instance, one may go to work to make a living (existence needs satisfaction) and another may be motivated by good relations with coworkers (Alderfer, 1972).

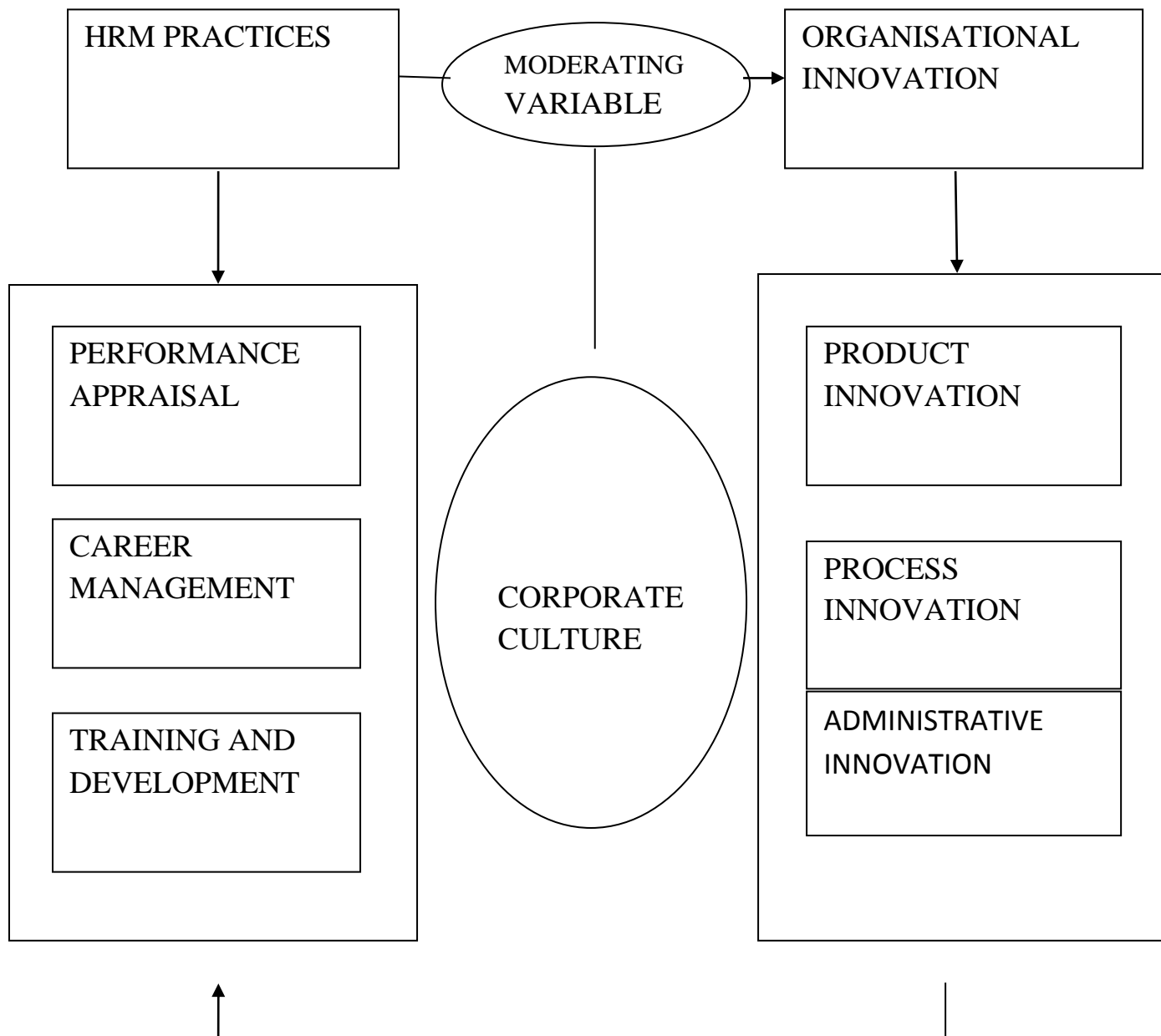
### **TWO FACTOR THEORY**

According to Herzberg (1959), intrinsic motivators and extrinsic motivators have an inverse relationship. This is to say that intrinsic motivators tend to inspire motivation when they are present, while extrinsic motivators are expected and so will not increase motivation when they are in place but they will cause dissatisfaction when they are missing. Intrinsic motivators on the other hand can be a source of additional motivation. Maslow's needs approach has been considerably modified by Frederick Herzberg and his associate. Their research purports to find a two factor theory of motivation. In one group of needs are such things as company policy and administrative, supervision, working conditions, interpersonal relations, salary, status, job security and personal life. These were found by Herzberg to be only dissatisfiers and not motivators. In other words, if they exist in a working environment in high quantity and quality, they yield no dissatisfaction. Their existence does not motivate in the sense of yielding satisfaction, their lack of existence would, however, result in dissatisfaction. Herzberg calls them maintenance, hygiene, or job context factor.

In the second group, Herzberg lists satisfiers and therefore motivators all related to job content. They include achievement, recognition, challenging work, advancement, and growth in the job. Their existence will yield feelings of satisfaction or no satisfaction.

## Conceptual Framework

Figure 1.1 Conceptual frameworks showing the relationship between HRM practices and organizational innovation in Nigerian banking industry.



Source: Damapour and Evans (1984) in Tan &Narsurdin (2010)

The conceptual framework deals with the dimensions of the HRM practices (independent variable) which performance appraisal, career management, training and development as adapted from Tan and Nasurdin (2011) while the measures of the organizational innovation (dependent variable) are product, process and administrative innovation as adapted from Stewart et al (2003). The intervening factor is corporate culture.

## **HUMAN RESOURCE MANAGEMENT PRACTICES**

HRM give competitive advantage in banks, so much attention is been given to institution's (banks) ability in the managing of the HRM. Bratton and Gold (2007) said that HRM is a technical means which deals with employment relations management whereby employee's capabilities and competency is essential in the achievement of competitive advantage, to set up distinctive integrated employee programmes, policies and practices.

Harter, Schmidt and Hayes (2002), said HRM practices can aid commitment of firm's workers, motivation, knowledge, cooperation and providing the firm a sustained chance of having a competitive advantage.

On July 6, 2004, the Central Bank of Nigeria (CBN) said that the body will embark on a reform that will change the banking sector of Nigeria for better; this change was to aid in the reduction of cost of doing business in Nigeria, improve competitiveness in both internationally and within the country. The program lead to the reduction of the numbers of the banks from 89 to 25 through acquisition/merger involving 76 banks (Omo Aregbeyen and Jumoke Olufeme, 2011).

Buchanan and Huczynski (2004) are of the view that HRM deals with managerial context which argued for the need to establish a combination of employee policies to aid organizational strategy. Storey (1995) posited that HRM is an important method to the management of employment in order to have a competitive advantage through technical deployment of workforce who is capable and committed through the use of personal, cultural and structural strategy.

According Atakpa (2011), HRM involves the integration of personnel and other HRM considerations into the firms overall corporate planning and strategy, formulation procedures. It is proactive seeking consistently to discover new ways of utilizing the labour force to more productive manner thereby giving the business a competitive edge.

## **ORGANISATIONAL INNOVATION**

Literature concerning organizational innovation is so scattered and there are diverse views. There is no one agreeable definition of organizational innovation because of its robust nature (Lam, 2005). The dynamic changes in the Nigerian banking sector have made players in all sectors to re-strategize business organization. The operation of the sector is to meet arising bottle necks of bank consolidation, minimizing operating cost, pay and settlement system etc. for adequate HRM practices through innovation.

Damanpour and Gopalakrishnan (2001) assert organizational innovation as generating new behavior and ideas to the firm. Chuang (2005) identified that organizational innovation dimensions are very complex and was viewed from two aspects:

1. Breadth - processes, administrative, policies, systems, products, services etc.
2. Depth - degree of influence, importance, effect on long term profitability etc.

This study shall focus on what these researchers identified as the breadth of innovation with emphasis on the process, product and administrative innovation.

## **DIMENSIONS OF HUMAN RESOURCES MANAGEMENT PRACTICES**

According to Angelo and Robert (2006), since people are innovative company's main asset and through these people the achievement of goals can be facilitated. Performance appraisal deals with sanction, discrete and formal in an organization. This is not a daily routine in an organization but it is done once in a year in an organization which defines the performance needed for the evaluation process. The study of organizational innovation has three dimensions which are administrative, product and process innovation (Mavondo, Chimhanzi & Stewart's, 2003).

There are some review which indicated that innovation is associated with recruitment, performance appraisal, reward system, career management and training (Gupta and Singhal, 1993; Laursen and Foss, 2003, Shipton, Fay, West, Patterson and Birdi, 2005). The researcher adopts these practices-performance appraisal, career management, training and development which are in line with above practices.

### **Performance appraisal**

Performance appraisal deals with sanction, discrete and formal in an organization. This is not a daily routine in an organization but it is done once in a year in an organization which defines the performance needed for the evaluation process (Angelo and Robert, 2006). In this performance appraisal, scores are been assigned to employees base on the job been performed as defined by the organization for evaluation process. Performance appraisal is the judgment of an employee's performance in a job based on certain considerations apart from productivity alone (Atakpa, 2011). This is also process by which a manager or consultant examines and evaluates an employees work behavior by comparing it with preset standards. Armstrong (1979) described appraisal as the process of reviewing performance and progress in a job and assessing the possibility-of-promotion. According to Cole (2002), there are two main categories of appraisal namely:

### **INFORMAL APPRAISAL**

Informal appraisal is the continuing assessment of an individual's performance by the superior while working. This kind of assessment is shaped by intuitive feelings not factual evidence of result. It is a by-product of the daily relationship between manager and subordinate.

### **FORMAL APPRAISAL**

Formal appraisal is altogether more rational and orderly than informal appraisal

### **REASON FOR PERFORMANCE APPRAISAL**

There are several reasons which are:



1. It is use to identify employee strength and weakness
2. It is use to identify an individual's current level of job performance
3. It is use to motivate employee
4. It is use to enhance employee performance
5. It is use to identify training and development needs.

## **PERFORMANCE APPRAISAL METHODS**

There are several performance appraisals which are: ranking, grading, the rating scale and open ended method.

### **RANKING**

This requires the manager to rank subordinates in order of merit normally on the totality of their capacity in the job but sometimes according to a few separate characteristics. This method is usually used for few subordinates. It can be used to decide pay and to some extent to determine future use.

### **GRADING**

This scheme places employees into predetermined series of merit categories-usually on the basis of their total performance. It works well for a homogenous group of subordinates. However, there is a strong tendency for extremes to be avoided that is rating many subordinate poor or exceptional.

### **OPEN ENDED METHOD**

The open ended method is a comparatively recent innovation because of dissatisfaction with rating scales. The method emphasizes on how the job is performed and the manager is expected to comment and tick the columns. The participation of employees in the performance appraisal process tends to boost their moral and motivate them to be innovative.

### **Career management**

Micheal Armstrong (2009), it deals with providing opportunities for people or individuals to develop their careers and abilities with the aim of ensuring that the firm or organization have the flow of talent it needs and to satisfy their own aspirations. It deals with bringing firm needs and the individual needs together. Career management ensures others know about you and your value, although career management is one of the five phases of career development planning. Career management is the blend of active management choice and structured planning of professional career.

Employee will be encouraged to develop new product ideas through innovation. Career management develop the skills and competency of the employees to deliver task assign to them to achieve the goal of the organization which pave way for the employees to also develop new process of achieving the task assign to them. Career management of employee in an organization can also pave way for administrative innovation such that it will aid the

organization to have a routine procedure in place design and produce product or creative services and how to get this product to end users. Process innovation also deals with new processes with improved production method with the aid of new techniques, equipment and skills etc.

### **Training and development**

According to Gerald Cole (2004), it deals with the preparation for a specific skills or occupation which is narrow in conception than development or education. It deals with job oriented rather than career oriented, it is also aim at employee potential than immediate skill and employees are seen as adaptable resources.

Atakpa (2011), define training as a systematic development of the knowledge, skills and aptitudes vital for an individual to perform well on a job. When workers are trained, they become innovative.

### **METHODS OF TRAINING**

#### **ON-THE-JOB TRAINING**

This is the type of training given in the normal work situation. It enables the trainees to get knowledge and skills needed to perform specific tasks while using the actual tools, equipment, document or materials that he or she will use when fully trained. The trainee is regarded as a part time trainee worker from the time training begins.

#### **OFF-THE-JOB TRAINING**

It takes place away from the normal work situation usually employing especially simplified tools and equipment from the beginning of training, the trainee is not seen as a productive worker. Off-the-job training may take place on the employer's premises, at a training centre attended by trainees from several employers or at a college.

#### **INDUCTION TRAINING**

In most organizations new employees spend the first week learning about the different departments of the firm – induction training. Induction assists the person who has accepted a job offer and to assist the individual in adjusting to the organization.

### **MEASURES OF ORGANISATIONAL INNOVATION**

Most literature review has classified organizational innovation into two major types which include: administrative innovation and technological innovation. Chuang (2005) grouped technological innovation as a secondary dimension which is product innovation and process innovation. Therefore, this study shall be classified into dimensions as categorized by Tan and Nasurdin (2011).

### **Product innovation**

Product innovation is the development of new product that creates value and meets the markets' needs (Damanpour and Gopalakrishnan, 2001). Product innovation draws up present knowledge from practical experiences and research in other to create new products. Product innovation can also be seen as the generating or creating new ideas of product that can meet the demand, need of the market which has value.

### **Process innovation**

Leonard and Waldman (2007) posited that process innovation is seen as creating a new process and improving on the existing one. Bi, Sun, Zheng and Li (2006) said it consists of the implementing of a new significant-improve delivery or production method that consists of equipment, techniques changes etc. Process innovation also deals with new processes with improved production method with the aid of new techniques, equipment and skills.

### **Administrative innovation**

Administrative innovation is seen performance gotten from changes to administrative process, organizational structure, administrative process and reward and information system (Chew, 2000). Administrative innovation covers primary work activities in the organization that have a direct relationship-with management (Damanpour and Evans, 1984). Administrative innovation ensures that firms should have routines and procedures in place design and produce products or creative services and how to get this product to end users.

## **RELATIONSHIP BETWEEN HRM PRACTICES AND ORGANISATIONAL INNOVATION**

RBV (resource based view) opine that HR (human resource) is a subset of organizational resources which aid the achievement of competitive advantage and greater performance in the organization (Barney, 1986; 1991). Ability, motivation and opportunity (AMO) state that motivated employee in an organization are likely to do better thereby setting the organization on a higher performance (Paauwe and Boselie, 2005). HRM practices are so important that it influence the motivation of employee in an organization to act in a manner that will aid and enact the competitive techniques lay down by the firm (Hiltrop, 1996). Innovative industries treat HRM practices as organizational strategy which encourages increase in organization's culture, building up customer's relationships through empowerment and participation, and team responsibility (Wang, 2005). When an industry generate or create new administrative, product and process, the need for employee who are risk taking, innovative, creative, tolerant and flexible of the unexpected and robust situation is required (Chen and Huang, 2007). The employee gained recognition in the manufacturing firm as their contribution is based on process innovation, product innovation and market responsiveness. It is very necessary for an industry to carryout helpful HRM practices that can stimulate and motivate workers to be innovative.

When workers satisfied with their career, they will be motivated to put in greater performance in innovativeness (Doty and Delery, 1996). Training also aid workers in an organization have ability, knowledge and skills that will contribute in creating new ideas such as the production process, management practices in routine operation and products (Jackson and Schuler, 1987). Training also aid development of skills, knowledge etc which in turn leads to effective performance of the employees in carrying out their job so as to pave way for organizational innovation. Gupta and Singhal, (1993) for employee to be motivated to take risk, create new ideas and product in the organization, a reward system will be provided which states promotion, financial compensation or reward and other recognitions which will generate organization innovation. The change that brought about organizational innovation in the sector (banks) could be the reform of new services and products scheme, merging of the branch networks, internet banking, alert banking system, utility bills payment, money transfer and others.

### **CORPORATE CULTURE AS A MEDIATING FACTOR**

Workers in the banking sector can improve their performance in the sector by creating new ideas, good services, good products and better working processes. Various factors play some roles in the influence of workers behavior. One of those factors is corporate culture. The banking sector can have a competitive edge (advantage) by having an effective management scheme which also pace way for innovation. In terms of culture, the average Nigerian do things because they belief is the right thing to do. The culture of an organization keeps every employee on their toes to give their best to make sure that the organization achieves their goals and objectives. Denison (1990) stated that the organizational culture has a great influence in research in organizational studies and management. Organizational culture has become a method use for business to gain a competitive advantage in the world market.

### **RESEARCH METHODOLOGY**

The researcher adopted the quasi-experimental research design survey for this study in sampling the opinions of workers in the selected banks in Bayelsa State, Nigeria. The target population for this study consists of 143 staff from the head office of all the selected 9 banks in yenegroa. The Taro Yamane's formula and the Bowley (1964) proportion formula were used in the course of this study.

Questionnaire is an instrument used to collect data of respondent whereby questions is been administered in a pre-determined manner. It is easy to collect response from a large sample size of population prior to qualitative analysis and of providing more valid data can easily be quantified. These variables were measured on 5 – point Likert scale of strongly disagree, disagree, neutral, agree and strongly agree.

## METHOD OF DATA ANALYSIS

The researcher shall analyze the relationship between the several variables and moderating variable that are cordially scaled by the use of a statistical tool known as the Spearman Rank order. The spearman Rank order is most relevant since the data were collected at the ordinal levels. The data were analyzed using statistical tools called statistical package for social science (SPSS) 21.0.

## PRESENTATION OF DATA

The table below shows the descriptive analysis of the data collected.

**TABLE 1. Number of Questionnaire Distributed/Number Returned**

NAMES OF BANKS	NUMBER DISTRIBUTED	NUMBER OF RETRIEVED	NUMBER OF INVALID	NUMBER OF VALID
ZENITH	26	24	1	23
FIRST BANK	52	36	11	25
GT BANK	14	10	2	8
ACCESS	40	24	2	22
UBA	50	33	5	28
FIDELITY	36	16	4	12
FCMB	18	12	-	12
DIAMOND	6	6	2	4
SKYE	20	9	-	9
TOTAL	262	170	27	143

SOURCE: SURVEY DATA 2017

As indicated in the table above, 262 copies of questionnaire were distributed, 170 copies of questionnaires were retrieved, 27 copies were invalid, while 143 were valid; it therefore means that 143 responses shall form the basis for computation in this study. In this chapter the data collected shall be presented in the frequency distribution table based on simple

percentage of SPSS version 22. The hypotheses are the final analysis that shall be tested empirically.

**Table 2: Test for Hypotheses 1 to 10**

**Correlations matrix**

			<b>PER/ APP</b>	<b>CAM/ GT</b>	<b>TRAI N &amp; DEV</b>	<b>PT/ IN N</b>	<b>PRO/ INN</b>	<b>ADMIN/ INN</b>
<b>Spearman's rho</b>	<b>PERFORMANCE APPRAISAL</b>	Correlation Coefficient	1.000	.108	.129*	-.062	-.133	-.148
		Sig. (2-tailed)	.	.198	.126	.460	.114	.077
		N	143	143	143	143	143	143
	<b>CAREER MANAGEMENT</b>	Correlation Coefficient	-.207	1.000	-.001	.093	.062	-.079
		Sig. (2-tailed)	.519	.	.994	.268	.464	.349
	N	143	143	143	143	143	143	
	<b>TRAIN AND DEVELOPMENT</b>	Correlation Coefficient	.129*	.001	1.000	.007	.007	.102
		Sig. (2-tailed)	.126	.994	.	.929	.934	.227
		N	143	143	143	143	143	143
	<b>PRODUCT INNOVATION</b>	Correlation Coefficient	-.062	.093	.007	.106	1.000	.226
		Sig. (2-tailed)	.460	.268	.934	.208	.	.007
		N	143	143	143	143	143	143
	<b>PROCESS INNOVATION</b>	Correlation Coefficient	-.133	.062	.102	.116	.226	1.000

	Sig. (2-tailed)	.114	.464	.227	.168	.007	.
	N	143	143	143	143	143	143
<b>ADMINISTRATIVE INNOVATION</b>	Correlation Coefficient	-.148	-.079	.012	.151	.145	.194
	Sig. (2-tailed)	.077	.349	.889	.073	.085	.020
	N	143	143	143	143	143	143

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

*The relationship between performance appraisal and product innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between performance appraisal was tested against product innovation. The result of data analysis (see table below) indicate that there was negative weak relationship between the variables (Rho= -0.062,  $p > .05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 1 is rejected.

*The relationship between appraisal and process innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between performance appraisal and process innovation. This result of data analysis indicates that there was negative weak relationship between the variables (Rho= -0.133,  $p > .05$ ). the relationship between the variables is insignificant. Therefore, hypothesis 2 is rejected

*The relationship between appraisal and administrative innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between performance appraisal and administrative innovation. This result of data analysis indicates that there was negative weak relationship between the variables (Rho= -0.148,  $p > .05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 3 is rejected.

*The relationship between career management and product innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between career management and product innovation. This result of data analysis indicates that there was negative weak relationship between the variables (Rho= 0.093,  $p > .05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 4 is accepted.

*The relationship between career management and process innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between career management and process innovation. This result of data analysis indicates that there was negative weak relationship between the variables (Rho= 0.062,  $p > .05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 5 is accepted.

*The relationship between career management and administrative innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between career management and administrative innovation. This result of data analysis indicates that there was negative weak relationship between the variables (Rho= -0.079,  $p>.05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 6 is rejected.

*The relationship between training & development and product innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between training & development and product innovation. This result of data analysis indicates that there was positive weak relationship between the variables (Rho= 0.007,  $p>.05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 7 is accepted.

*The relationship between training & development and process innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between training & development and process innovation. This result of data analysis indicates that there was very strong positive-relationship between the variables (Rho= 0.102,  $p>.05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 8 is accepted.

*The relationship between training & development and administrative innovation:* This hypothesis was tested using the spearman rank correlation coefficient as relationship between training & development and administrative innovation. This result of data analysis indicates that there was positive weak relationship between the variables (Rho= 0.012,  $p>.05$ ). The relationship between the variables is insignificant. Therefore, hypothesis 9 is accepted.

**Table 1.3 moderating relationship-of corporate culture on HRM practices and Organizational innovation**

**Correlations**

Control Variables			HRM	Organizational innovation
CORPORATE CULTURE	HRM	Correlation	1.000	.408
		Significance (2-tailed)	.	.213
		Df	0	143
ORGANIZATIONAL INNOVATION		Correlation	.408	1.000
		Significance (2-tailed)	.213	.
		Df	143	0

Source: survey data 2017

Based on the above it was concluded that corporate culture will moderate the relationship between HRM practices and Organisational Innovation.



## Table 1.4 SUMMARY OF FINDINGS

The summary of the analysis is shown in table 4.18 below

Table 4.1 tabulation of findings

S/N	HYPOTHESES	RESULTS
Ho1	There is no significant relationship between performance appraisal and product innovation.	Rejected
Ho2	There is no significant relationship between performance appraisal and process innovation.	Rejected
Ho3	There is no significant relationship between performance appraisal and administrative innovation.	Rejected
Ho4	There is no significant relationship between career management and product innovation.	Accepted
Ho5	There is no significant relationship between career management and process innovation.	Accepted
Ho6	There is no significant relationship between career management and administrative innovation.	Rejected
Ho7	There is no significant relationship between training and development and product innovation.	Accepted
Ho8	There is no significant relationship between training and development and process innovation.	Accepted
Ho9	There is no significant relationship between training and development and administrative innovation.	Accepted
Ho10	Corporate culture will not moderate the relationship between HRM practices and Organisational Innovation.	Accepted

## FINDINGS

In the following discussion, results of each finding are reviewed and compared with previous literature.

### Hypotheses One, Two and Three

The purpose of research hypotheses one, two and three is to ascertain the influence of performance appraisal on organizational innovation (product, process and administrative).

This was determined through the use of spearman rank correlation coefficient. The value of ( $\rho = -0.062$   $p > 0.05$ ,  $\rho = -0.133$   $p > 0.05$ ,  $\rho = -0.148$   $p > 0.05$ ) respectively.

This shows that there is a negative weak correlation and no significant relationship between performance appraisal and organisational innovation (product, process and administrative).

The findings in this study contradicts with the earlier findings of Shipton et al, Jemenez & Sanz-ville in Tan & Nasurdin (2010), who argued that HRM practices encourage exploration rather than exploitation which can give rise to organizational innovation; most employees in Nigerian Banking industry are exploited as a result of unemployment, given target that is unrealistic, job security e.tc. Perhaps this accounts for the negative relationship between performance appraisal and organizational innovation. The participation of employees in the performance appraisal process in the organization tends to boost their moral and motivate them to come up with new ideas to improve the product of the organization. Employee participation in the performance appraisal also gives rise to new process and ways to be innovative in the organization. Workers can come up with new process of achieving the goal of the organization. It will make employee to come up or create a new process and also improve on the existing one in order to achieve the aim of the organization. Performance appraisal interface with administrative innovation such that the involving of employee in the appraisal process aid administrative innovation as it encompasses basic work activities in the organization that have a direct relationship with management. Product innovation can also be seen as the generating or creating new ideas of product that can meet the demand, need of the market which has value.

#### **Hypotheses Four, Five and Six**

The purpose of research hypotheses four, five and six is to ascertain the influence of career management on organizational innovation (product, process and administrative). This was determined through the use of spearman rank correlation coefficient. The value of ( $\rho = 0.093$   $p > 0.05$ ,  $\rho = 0.062$   $p > 0.05$ ,  $\rho = -0.079$   $p > 0.05$ ) respectively, which indicate that career management has a positive relationship on product and process innovation but indicate a negative relationship on administrative innovation. However, career management is correlated to product and process innovation but is weak. The finding of hypothesis six which shows a negative relationship between the variables under review supports the early research by Stewart (2003) that career management had made effort on the organizational innovation. Employee in the organization who is provided with opportunities in the organization to develop their abilities and skills in the organization will create room for product innovation. Employee will be encouraged to develop new product ideas through innovation. Workers skills will get to an advance state which would aid them to be creative and coming up with new ideas to improve the product of the organization. Career management develop the skills and competency of the employees to deliver task assign to them to achieve the goal of the organization which pave way for the employees to also develop new process of achieving the task assign to them. Career management of employee in an organization can also pave way for administrative innovation such that it will aid the organization to have a routine procedure in place design and produce product or creative services and how to get this product to end

users. Process innovation also deals with new processes with improved production method with the aid of new techniques, equipment and skills etc.

### **Hypotheses Seven, Eight and Nine**

The purpose of research hypotheses seven, eight and nine is to ascertain the influence of training and development on organizational innovation (product, process and administrative). This was determined through the use of spearman rank correlation coefficient. The value of  $\rho = 0.007$   $p > 0.05$ ,  $\rho = 0.102$   $p > 0.05$ ,  $\rho = 0.012$   $p > 0.05$  respectively, which indicate that training and development has no significant relationship on organizational innovation. However, training and development is correlated to product, process and administrative innovation though weak but strong on process innovation. This study is in line with the findings of Shipton et al in Oltra and Alegere (2011) that Training and development were innovation predictors, training should not simply occur with specific reference to an operational task. The development of employees in multiple ways is a method for instilling commitment as reciprocation; commitment can be seen through the employees' improved performance. However, it is found that training was critical to the success of innovation, yet the management had little time to spend in development of skills critical to the success of innovation. Administrative innovation has to do with the changes in organizational structure, reward and information system and administrative process which are measured by performance.

### **Hypotheses Ten**

The purpose of hypothesis ten is to ascertain the moderating relationship of corporate culture on HRM practices and Organizational Innovation. From the spearman rank computation ( $\rho = 0.408$   $p > 0.05$ ) respectively. This study observed the variables is insignificant in the statistical analysis. The Corporate culture was found to have contributed to non-significant relationship that exists between HRM practices and Organizational innovation.

In the findings of Lengnick Hall & Lengnick Hall (2003) who is of the view that in the rapid growth of technology which has led to an economy where competitive advantage is increasingly based on the successful application of knowledge is in agreement with the finding of this study. However, this study revealed that due to increase in technology usage in the banking industry, performance increases day to day and modern banking is also one of the industries that adopt technology which help in providing better services to customers. It is also important to note that modern day banking services pay more emphasis on the usage of technology innovations to improve service delivery and high level of customer's satisfaction.

### **CONCLUSIONS**

This study has ascertained the influence of HRM practices on Organisational Innovation in banks in Bayelsa State. It is hereby concluded that;

1 Performance appraisal has a negative weak relationship with product innovation. This indicates that managers perceive that performance appraisal will not enhance product innovation.

2 Performance appraisal has a negative weak relationship with process innovation. This indicates that managers perceive that performance appraisal will not enhance process innovation.

3 Performance appraisal has a negative weak relationship with administrative innovation. This indicates that managers perceive that performance appraisal will not enhance administrative innovation.

4 Career management has a weak positive relationship with product innovation. This indicates that managers perceive that career management will enhance product innovation.

5 Career management has a weak positive relationship with process innovation. This indicates that managers perceive that career management will enhance process innovation.

6 Career management has a strong negative relationship with administrative innovation. This shows that managers perceive that career management will not enhance administrative innovation.

7 Training and development has a weak positive relationship with product innovation. This indicates that managers perceive that training and development will enhance product innovation.

8 Training and development has a very strong positive relationship with process innovation. This indicates that managers perceive that training and development will enhance process innovation.

9 Corporate culture will moderate the relationship between HRM practices and Organizational Innovation.

## **RECOMMENDATION**

Based on the conclusion above, we make the following recommendations:

1 Management should provide balance scorecard approach to employees' performance.

2 Management should promote employees when due.

3 Management should continue to train people in groups and through computer based learning and there should be continuous training and development in order to stay at the forefront of one's profession.

4 Management should reward employees for being innovative and should encourage and reward creativity.

5 Management should continue to hire employees who are suited for the job. Management should make efforts to ensure that adoption of technological innovation does not lead to direct loss of jobs and early retirement of employees.

6 Management should build a culture in which the HRM practice are valued, encouraged and supported by providing time, learning resources and constructive culture should be encouraged so that employees will work to their full potential.

7 Management should have belief, values and management practices that foster developing new ideas into products, processes and services.

8 Management should encourage the adaption to technological change by influencing speed at which new competencies and skills should be developed to match the demands of new technologies.

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