

# **CHAPTER ONE**

## **INTRODUCTION**

### **Background to the Study**

Small and Medium Scale Enterprises (SMEs) are deemed to be integral to the growth and development of any forward thinking nation. Small and medium enterprises (SME) are seen as agents of economic development and contribute to improved living standards, substantial local capital formation, and achieve high levels of productivity and capability for individuals and nations. Muogbo (2013) was of the opinion that SMEs are very important because they are the key drivers of employment and economic growth. According to Ahmeti and Marmullaku (2015), SMEs constitute 90 to 95 percent of all enterprises worldwide and account for more than 70 percent of the products and services in the world. SMEs are seen also as key factors in employment and account for approximately 60 percent of private sector employment worldwide. Besides the fact that SMEs play a significant role in developing countries economies, they also play a crucial role in regional development.

The development of SMEs has been recognized as a veritable tool for promoting poverty eradication, job creation, rural development and sustainable livelihood for the populace. Small and medium-scale enterprises make up the largest proportion of business all over the world and play tremendous roles in

employment generation as well as immensely contributing to the Gross Domestic Products (GDP) of many countries. Yusuf and Dansu (2013) reported that SMEs make up about 97 percent of businesses in Nigeria and provide an average 50 percent of Nigeria's employment and industrial output. Small and medium enterprises are largely present in Anambra State.

Anambra State is a State where a large percentage of her citizens are entrepreneurs or owners of SMEs. The presence of small and medium scale enterprises has increased economic activities in the State and has helped to improve the revenue base of the State. SMEs have been a major engine of economic growth and technological progress. Eniola (2014) stated that the characteristics of SMEs not only reflect the economic patterns of a country but also the social and cultural dimensions. These differing patterns (economic, social and cultural) are noticeable within different definitions and criteria of SMEs adopted by different countries. Whereas some refer to the number of employees as their distinctive criteria for defining SMEs, others use invested capital, and some others use a combination of the number of employees, invested capital, sales and industry type (Kraja & Osmani, 2013).

Small and medium scale enterprises are business organizations set-up by individuals or group of individuals known as business operators for the main purpose of providing goods and services. Their classification into small and

medium enterprises depends on the scale or size of business operators' control. Furthermore, SMEs engage in different types of activities ranging from construction, agro-allied, information technology, manufacturing, educational establishment, business services, tourism and leisure. The criteria mostly used for the definition of small businesses in Nigeria include; capital investment (fixed assets), annual turnover, number of employees and gross output (that is total production before any product is taken away). In this regard, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2011) categorized small scale enterprises as business ventures with a minimum of 10 and maximum of 49 employees with assets within the range of five to fifty million Naira (excluding land and buildings). In the same vein, SMEDAN categorized medium scale enterprises as business ventures with a minimum of 50 and maximum of 199 employees with assets within the range of 50 to 500 million Naira (excluding land and buildings). Some of these enterprises are overseen by managers employed by the business owners.

Business owners, according to Okolo (2014) are people who have the ability to see and evaluate business opportunities, put together the necessary resources to take advantage of them and to initiate appropriate actions to ensure success. The business owners employ and contract the managers to oversee the running of their businesses. A manager can be seen as a person who is responsible for the

realization of management processes, who makes plans and decisions, organizes, supervises and controls human, financial and information resources of business enterprises. Gorgievski, Ascalon and Stephan (2011) defined a manager as the person employed in an administrative position, who has comprehensive knowledge necessary for leading people and managing an organization in order to achieve optimal realization of set tasks in confined conditions. Thus, the manager of a small and medium scale enterprise is the person who is employed by the owner of the venture to oversee the management of the business which includes the management of the material and human resources on his behalf. The management of human resources is the proficient utilization of employees in accomplishing objectives within an organization.

Human resource management (HRM) is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organizational development, safety, wellness, benefits, employee motivation, communication, administration, and training. Human resource management is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Human resource management is a strategic and coherent approach to the management of an organization's most valued assets-the people working there, who individually and collectively

contribute to the achievement of set objectives for sustainable competitive advantage (Luftim, 2014).

The main objective of human resource is to create and maintain an efficient workforce that is able to meet the organization's needs (Mayhew, 2014). Effective HRM enables employees to contribute effectively and productively to overall company direction and the accomplishment of an organization's goals and objectives. Small and medium scale enterprises with successful HRM practices are likely to have lower absenteeism and employee turnover rates and better skills development and retention which ensure work productivity thereby contribute to economic development of a nation. These contributions are feasible under effective systems which include good human resource management practices.

Though small and medium scale enterprises are making positive contributions to economic growth and development in Nigeria, the rate of failure is high. According to West and Wood (2012), 90 percent of all these business failures result from lack of experience and competence. West and Wood also added that inefficiency in overall business management and poor record keeping is also a major feature of most SMEs and have always led to funds misappropriation, wrong and costly decision making. Other possible contributory factor could be human resource management practices of these SMEs such as inconsistent and equitable employee compensation policy, lack of training and development plans for

employees, lack of trust, inadequate working conditions, poor communication and among others. Therefore, adoption of human resource management practices by managers in small and medium scale enterprises is thus imperative because these firms are the economic drivers of the future through employment creation and utilization of indigenous resources.

Human resource management practices according to DeCenzo and Robbins (2010) are classified into four broad categories. These include: (a) acquisition-human resource planning, recruiting, employee socialization; (b) development-employee training, management development, and career development; (c) motivation-job design, performance evaluation, rewards, job evaluation, compensation or benefits, and discipline; and (d) maintenance-safety and health, employee or labour relations. Stoner, Freeman and Gilbert (2011) prescribed seven basic activities of HRM that include human resource planning, recruitment, selection, socialization (orientation), training and development, performance appraisal, promotions, transfers, demotions and separations of human resource. For this study, the components of HRM covered are resourcing, employee development and training, employee compensation and employee relations.

Resourcing is an important HRM practices that involves finding the right employees that will help to attain the goals of the business. Resourcing practices have to do with employees in the venture. Human resources are key organizational

assets as organizational performance depends on the quality of employee effort and hence, on their ability and motivation. Human resources (people) design and produce goods and services, control quality, market the products, allocate financial resources, and set overall strategies and objectives for the organization (Milkovich, Newman & Gerhart, 2013). Without effective people, it is impossible for an organization to achieve its objectives. Therefore, resourcing with the 'right persons' and placing them in their 'right positions' is the central task of HRM. Resourcing in an organization involves human resource planning, job analysis, recruitment, selection and socialization or orientation. Training should be provided to the selected employees to make them fit with the jobs of the organization.

Employee development and training are processes that attempt to provide employees with information, skills, and understanding of the organization and its goals (Ivancevich, 2011). Employee capabilities are balanced through training and development. With ongoing trends toward greater workforce diversification, flatter organizations, and increased global competition, training and development efforts enable employees to assume expanded duties and greater responsibilities (Milkovich, Newman & Gerhart, 2013). Organizational performance and its growth depend upon the skills and knowledge of the employees which considered as the assets of the firm. The knowledge, development, abilities and skills are the dimensions of the process of training and development. However, the results of

training impart major contribution in the better performance thereby increasing compensation of employees.

Employee compensation is another important human resource management practice. Employee compensation encompasses the employees' wages, incentives and benefits (Abubakar & Abubakar, 2013). Compensation is important for both employers and employees regarding attracting, retaining and motivating employees. By implementing employee compensation plans that work toward a competitive level of compensation and equity, employees feel that they are working toward a common goal, which in turn leads to increases in performance quality and productivity. Good compensation plan attempts to form and keep amiable relations between employees working at numerous levels in the organization

Employee relations are significant aspects of human resource management (HRM) which is aimed at maintaining a peaceful working environment in small and medium enterprises (SMEs) (Enis, Xhavit & Nagip, 2015). Employees need to be involved in the management of human resources that affects their interests. A well thought-out structure of employee participation system, grievance system, dispute handling management, disciplining system and labour representation system maintain conducive labour relations in organizations which will ultimately ensure uninterrupted operations, progress and prosperity of the firm. It appears that



the productivity of SMEs is closely related to their ability to adopt suitable human resource management practices in handling their employees.

However, certain factors like size of business enterprise and years of experience of SMEs managers could influence their human resource practices in the management of the business. The ability of SMEs to adopt HRM practices is dependent on their size. According to Muhammad (2009), medium scale enterprises have better capacity to adopt HRM practices in their ventures than small scale enterprises. In support, Saravanan and Vasumathi (2015) opined that the size of a business could influence the adoption of HRM practices by managers of SMEs.

Years of experience could also be another variable that could influence the SMEs managers' human resource practices in organizations. Years of experience in this study refers to field of knowledge acquired over months or years of actual practice and which, presumably, has resulted in superior understanding or mastery. It is believed that 90 percent of business failures are associated with management inadequacy, which consists of either management inexperience or incompetence (Perry and Pendleton in Mugo, 2012). Mugo further observed that many SMEs owners or managers lack managerial training and experience. Experience is the best predictor of business success, especially when the new business is related to earlier business experiences.

Managers with vast experiences in managing business are more capable of finding ways to open new business compared to employees with different career pathways. It is possible that successful SMEs are handled by experienced managers who personally observe the day to day activities of their enterprises and also involve the employees in decision making process to increase productivity. However, the extent to which these assertions apply in Anambra State demands an empirical investigation, hence, the need to determine the human resource management practices of small and medium scale enterprises in Anambra State.

### **Statement of the Problem**

Small and medium scale enterprises (SMEs) are agents of national and economic growth hence individuals, government and other stakeholders exert much efforts to achieve personal, organizational and national economic growth and development through sustainable SMEs. However, it has been widely observed and reported that most small firms are short-lived. Several SMEs die shortly after their establishment and some of those that survive die following the ageing or physical incapacitation or death of their owners. In Nigeria, failure rate of small and medium enterprises is high and some new entrepreneurial ventures disappear within the first five years after their establishment. The same could be said of the situation in Anambra State. Factors such as managerial ineptitude and transfer of the management of businesses from the initial owners (in most cases the parents) to

a member of the family who may lack entrepreneurial skills could be responsible for this high failure rate. Other possible contributory factor could be human resource management practices of these SMEs such as inconsistent and equitable employee compensation policy, lack of training and development plans for employees, lack of trust, inadequate working conditions, poor communication and among others.

It should be noted that business failures result in heavy personal loss for entrepreneurs, their workers and other clients/customers. All these add up to very huge losses for the government in particular and the country in general. The problem of this study, therefore, is that small and medium scale enterprises in Anambra State seem not to be surviving and succeeding, thereby adversely affecting their owners, employees and customers as well as the government and contributing to increasing rate of unemployment and crimes in the state.

### **Purpose of the Study**

The purpose of this study was to determine the human resource management practices of managers of small and medium scale enterprises in Anambra State. Specifically, the study determined the:

1. Resourcing practices of managers of small and medium scale enterprises in Anambra State.

2. Employee development practices of managers of small and medium scale enterprises in Anambra State.
3. Employee compensation practices of managers of small and medium scale enterprises in Anambra State.
4. Employee relations practices of managers of small and medium scale enterprises in Anambra State.

### **Significance of the Study**

The findings of this study when published would be useful to managers of SMEs, business education students, government and their agencies and curriculum planners in business education programme. The findings of the study would also be useful to citizens of Anambra State and the nation, as well as future researchers, authors and publishers.

To the managers of SMEs, the findings of the study would expose them to human resource management practices that can promote corporate entrepreneurship or intrapreneurial work behaviour, the adoption of which would enhance the growth of their businesses. Managers of SMEs would also be informed on the current innovations in human resource management. This information will help them develop and implement resourcing, employee development, employee compensation, employee relations and employee maintenance practices that would ensure the survival and success of their enterprises.

Business education students would benefit from the findings of this study in that the study will avail them the true state of application of human resource management practices in SMEs in the State. Through the review of literature and recommendations made by the research, business education students would be armed with the knowledge of human resource management practices which they could adopt when venturing into small and medium scale businesses for proper human resource management decisions necessary for success and expansion.

The findings of this study would help government and their agencies in determining the human resource practices in the State. Through the findings, the government through their agencies could organize training programmes for managers and owners of SMEs to gain insight on human resource management practices which would help the trainees improve their human resource management capabilities. This will enable the government through any of her agencies organize education and training programmes like conferences, seminars and workshops which will help the entrepreneurs/managers in the state to effectively manage their enterprises successfully.

Business education curriculum planners would benefit from the findings of the study because it would help them redesign programmes in the area of human resource management and also to device techniques that would aid in effective growth and development of SMEs in the State. Business education curriculum

planners could also come up with skills needed for training and educating business education students with reference to the present economic realities in the State and the nation at large. This will enable them map-out and integrate in the business education curriculum, SME human resource management practices that will lead to optimum business success.

Citizens of Anambra State and the nation will benefit from the findings of this study, because managers of SMEs will be aware of human resource management practices needed for business success before embarking on any small and medium business. This awareness could be transferred to the citizens through seminars and mass mobilization lectures which in the long run will help to reduce the failure rate of small and medium scale enterprises and in addition help to reduce the level of social crimes, unemployment and poverty in Anambra State in particular and Nigeria as a whole.

Finally, researchers would find the findings of the study useful for further academic activities. Authors and publishers would also use the findings of this study as a reference material when publishing relevant textbooks on human resource management practices for business growth and development.

### **Scope of the Study**

The study focused on the determination of human resource management (HRM) practices of managers of small and medium scale enterprises in Anambra

State. The content scope was delimited to resourcing, employee development, and employee compensation and employee relations practices. The moderating variable of the study was delimited to the size of the business (small and medium scale enterprises) and years of experience (5 years and below, 6-10 years and above 10 years).

### **Research Questions**

The following research questions guided the study.

1. What are the resourcing practices of managers of small and medium scale enterprises in Anambra State?
2. What are the employee development practices of managers of small and medium scale enterprises in Anambra State?
3. What are the employee compensation practices of managers of small and medium scale enterprises in Anambra State?
4. What are the employee relations practices of managers of small and medium scale enterprises in Anambra State?

### **Hypotheses**

The following null hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises.

2. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises based on years of experience (5 years and below, 6-10 years and above 10 years).
3. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development practices they adopt in their enterprises.
4. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development practices they adopt in their enterprises based on years of experience (5 years and below, 6-10 years and above 10 years).
5. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises.
6. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises based on years of experience (5 years and below, 6-10 years and above 10 years).



7. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relations practices they adopt in their enterprises.
8. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relations practices they adopt in their enterprises based on years of experience (5 years and below, 6-10 years and above 10 years).

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

This chapter reviews related literature and is organized under the following sub-headings:

#### **Conceptual Framework**

Human Resource Management Practices

Small and Medium Scale Enterprises

Manager

#### **Theoretical Framework**

Scientific Management Theory

Systems Theory

#### **Theoretical Studies**

SMEs Application of Resourcing practices

SMEs Application of Employee Development practices

SMEs Application of Employee Compensation practices

SMEs Application of Employee Relations practices

#### **Empirical Studies**

Resourcing practices of SMEs

Employee development practices of SMEs

Employee compensation practices of SMES

Employee relations practices of SMEs

## **Summary of Review of Related Literature**

### **Conceptual Framework**

This section defines key terms in this study under the following sub-headings: human resource management practices, small and medium scale enterprises and manager

### **Human Resource Management Practices**

Human resource management (HRM) comprises the managerial activities involved in planning for recruiting, staffing, training, developing, utilizing and maintaining the human resource in an organization (Osuala & Okeke, 2014). Nayyab, Hamid, Naseer and Iqbal (2011) defined HRM as the policies and practices needed to carry out the human resource aspect of management, including selection, job definition, training, performance appraisal, compensation, career planning and encouraging employee participation in decision making and measuring organizational performance, customer satisfaction and maximizing the profitability of organizations.

Human resource management practice are those practices that improve the skills of the labour force, their participation in decision making as well as motivation to put forth discretionary efforts for effective achievement of organization's goal (Akintunde, 2017). These comprise of activities that an

organization holds for personnel in order to develop work behaviours that can facilitate effective achievement of organizational goal. HRM practices are activities which an organization engages in to help achieve set goals (Lee, 2011). HRM practices include analyzing and designing work, determining human resource needs (HR planning), attracting potential employees (recruiting), choosing employees (selection), teaching employees how to perform their jobs and preparing them for the future (training and development), rewarding employees (compensation), evaluating their performance (performance management), and creating a positive work environment (employee relation) (Noe, Hollenbeck, Gerhart & Wright, 2010).

Furthermore, Swathi, (2014) classified human resource practices into six primary responsibilities including job analysis and staffing, organization and utilization of work force, measurement and appraisal of work force performance, implementation of reward systems for employees, professional development of workers, and maintenance of work force. In the context of this study, HRM practices can be seen as the specific practices, formal policies and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of the organization.

## **Small and Medium Scale Enterprises**

Small and medium scales enterprises are those firms owned by individual(s) and are ordinarily established as a means of self employment. There is no universally accepted definition of a small firm (Gorgievski, Ascalon & Stephan, 2011). The definition of small business depends on the criteria for determining what is small and qualifies as a business (Napp, 2011). It is commonly believed that a business will be considered as small according to Gorgievski, Ascalon and Stephan (2011), if it:

- a. is independently owned, operated and financed (one or very few people manage it without a formalised management structure).
- b. has a relatively small share of the market place or relatively little impact on its industry.
- c. is independent and does not form part of a large enterprise.

The enterprises are known for low set up cost, reliance on local raw materials, employment generation, accelerating rural development, stimulating entrepreneurship, providing links between agriculture and industries, supplying parts and components among others (Onwughalu, 2014). The Federal Government of Nigeria in 1990 defined small-scale enterprises for purpose of commercial loan as those enterprises with capital investment not exceeding N2 million (excluding cost of land) or a minimum of N5 million (Aremu and Adeyemi, 2011). Majority

of SME businesses in Nigeria are family-owned, have a low capital base, are located in urban and semi-urban areas and largely reside in the informal sector. The informal sector in Nigeria refers to economic activities in all sectors of the economy that are operated outside the purview of government regulation.

The introduction of the National Policy on Micro, Small and Medium Enterprises in Nigeria has addressed the issue of definition as to what constitutes micro, small and medium enterprises (National Technical Working Group on Small and Medium Enterprises, 2009). Osamwonyi and Tafamel (2010) defined small and medium-scale business as any enterprise employing between five to 100 hundred workers with an annual turnover of about four hundred thousand Naira (N400, 000). Oroka (2013) defined SMEs as firms with a total investment (excluding cost of land but including capital) of up to N750, 000, and paid employment of up to 50 persons. Miller (2011) defined a small-scale industry as those industries with a total investment of between N100,000 and N2,000,000 excluding land but including working capital.

The Central Bank of Nigeria, in its monetary policy circular No. 25 of 1991, defined small-scale business as an enterprise whose capital investment does not exceed N5,000,000 (including land and working capital) or which turnover is not more than N25,000,000 annually. Oroka (2013) defined small enterprises as those enterprises with five or ten workers to between 20 and 50 workers. Oroka added

that some industrialized countries use a maximum of 100 workers, with options for the trade and production sector. Accordingly, medium enterprises are those enterprises with the number of workers ranging from 20-50 to 300-500 with options for trade and production sector.

Small and medium scale enterprises in the context of this study can be seen as any enterprise which total working capital excluding cost of land is over one million Naira but not more than 150 million Naira and number of employees between 36 and 300 workers.

### **Manager**

A manager is a person who is responsible for the realization of management processes. In particular a manager is the person that makes plans and decisions, organizes, supervises and controls human, finance and information resources (Griffin, 2010). Poczowski (2007) defined a manager as a professional whose essence is the art of reaching goals by proper use of available finance, material and human resources.

According to Penc (2011), the manager is a person employed to manage, fulfill all functions and make use of all or some part of an organization's resources in order to achieve the goals of the whole organization or its given part. Penc further averred that the manager is the person employed in the administrative position, who has a comprehensive knowledge necessary to lead people and

manage an organization, in order to achieve optimal realization of tasks in confined conditions.

Managers, according to Penc (2009) are specialists, who are able to find solution in complicated situations. The manager is not afraid to take a risk, can draw the visions of the future, formulate strategies towards achieving those visions and knows how to use available resources for optimal realization of visions. In the context of this study, a manager can be seen as an individual who is in charge of the administration, control and utilization of human and material resources of an organization. Thus, a manager is someone who formally leads individual and collective efforts to accomplish shared universal goals of an enterprise.

### **Theoretical Framework**

The theoretical framework for this study is based on the Scientific Management Theory and Systems Theory. They are discussed as follows:

#### **Scientific Management Theory**

The scientific management theory was propounded by Frederick Winslow Taylor in 1911. According to Taylor, management is deficient both in terms of knowledge as to what constitutes a proper day's work and its indifference about proper managerial practices. To correct these deficiencies, Taylor charged management with the basic responsibility for developing the required scientific



management principles. The fundamental principles underlying the scientific approach to management are:

- a) The development of a scientific method of designing jobs to replace the old rule-of-thumb methods. This involves gathering, classifying and tabulating data to arrive at the —one best way to perform a task or series of task.
- b) The scientific selection and progressive teaching and development of employees. Taylor showed the value of matching the job to the worker. The theorist also emphasized the need to study workers strengths and weaknesses and to provide training to improve workers performance.
- c) Bringing together scientifically selected employees and scientifically developed methods for designing jobs. Taylor believed that new and scientific methods of job design should not merely be put before an employee, they should be fully explained by management. The theorist believed that employees would show little resistance to changes in methods if they understood the reasons for the change and they show a change for greater earnings for themselves.
- d) Division of work resulting in interdependence between management and the worker. Taylor felt that if employees were truly dependent on one another, then cooperation would naturally follow.

In the view of Taylor, the scientific management techniques would replace rule-of-thumb management practices so prevalent at the time. It is believed that scientific management principles would create a better and more harmonious relationship between workers and employers. The main concern of this theory is the efficiency of both workers and management as methods would lead to improved management–labour relations and contribute to improved industrial efficiency and prosperity. Taylor adopted an instrumental view of human behaviour together with the application of standard procedures of work.

The scientific management theory is relevant to this study because it explores the importance of human resource management practices such as selection of labour force through scientific methods, training and collaboration between the employers and employees. The theory helps to provide a clear path on the importance of provision of a defined work process, adequate incentives for employees and the good relationship between managers and employees. The knowledge of this theory will guide managers of SMEs in adopting effective human resources practices to enhance employees' job performance. However, this theory did not cover the interdependence and relationship in business organizations which necessitates the addition of the systems theory as part of the theoretical foundation for this study.

## **Systems Theory**

Systems theory was propounded in the 1940's by Ludwig Von Bertalanffy. The theory viewed human organizations as systems (conceptual systems) of interacting components such as system aggregates, which are carriers of numerous complex processes (organizational behaviors) and organizational structures. Systems theory focuses on relations between parts of a system. Rather than reducing an entity such as a school into parts. Systems theory focuses on the arrangements of and relations between the parts and how they work together as a whole. The way the parts are organized and how they interact with each other determine the properties of that system. The behaviour of the system is dependent on the properties of the elements. According to the theorist, a system may be defined as a set of interdependent parts that relate in the accomplishment of some purpose. The systems theory views institutions as systems that procure and transform inputs into outputs which are subsequently discharged into their external environment in the form of goods and services. Inputs can be in form of people, materials, money or information.

Systems theory makes provision for people to explore and characterize the system of their interest, its environment and its components and parts. People in the education system can acquire a systems view of management by integrating systems concepts and principles in their thinking and learning to use them in

representing the world and their experiences. Systems theory empowers people to think of themselves, the environments that surround them and the groups and organizations in which they live in a new way.

The systems theory is relevant to this study because it gives SME managers insights into ways of knowing, thinking and reasoning in managing human resources in their organizations and the roles these play in realizing the overall goals of the business. In other words, the relevance of systems theory to this study is that it helps managers to look at the organization more broadly, in order to interpret patterns and events in the workplace by recognizing the various parts of the organization and their interrelations. This theory guides SMEs managers in developing, selecting and organizing human resource management practices that suit their business environments so as to improve employee performance and business profitability.

### **Theoretical Studies**

This section discusses the theoretical work of scholars that are in line with the purpose of the study under the following sub-headings:

#### **Resourcing Practices of SMEs Managers**

‘Right man in the right place at the right time’ is the guiding philosophy of all HRM (Bacon & Hoque, 2011). By matching the size and skills of the work force to the productive requirements of an organization and raising the quality of

individual employees' contributions to production, organizations can make significant improvements to their performance (Bacon & Hoque, 2011). Neither organizational effectiveness nor individual satisfaction can be achieved unless there is a better matching of what the organization needs and what the individuals who spend their working lives in those organizations need (Schein, 2010). This "matching" is a dynamic process. Resourcing or manning organization with 'right persons' and place them in their 'right positions' is the central task of HRM. Resourcing organization involves human resource planning, job analysis, recruitment, selection, socialization or orientation.

HR planning is the process of determining future human resource needs relative to an organization's strategic plan and devising the steps necessary to meet those needs (Lengnick-Hall & Lengnick-Hall, 2009). Human resource planning goes hand-in-hand with an organization's strategic planning. Strategic planning refers to an organization's decision about what it wants to accomplish (its mission) and how it wants to go about accomplishing it (Scharf, 2011). Once the strategy is set, the HRM function must do its parts to ensure the strategy's success, and thereby help the organization to achieve its objectives (Kane & Palmer, 2010). The acknowledgement of strategic view that HR policies and practices have critical linkage with an organization's overall strategy is termed as strategic human resource management (SHRM) and acts as central philosophy (Ivancevich, 2011).

French (2009) defined HR planning as the process of assessing an organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed.

Cascio (2010) viewed HR planning as an effort to anticipate future business and environmental demands on an organization and to provide personnel to fulfill that demand. According to Dessler (2009), HR planning is "employment planning" and the process of formulating plans to fill future openings based on an analysis of the positions that are expected to be opened and whether these will be filled by inside or outside candidates.

Planning for human resource needs is more than a set of techniques and a system that is part of the human resource management functions. Human resource planning is both a process and a plan (Ivancevich, 2011). It is how organizations assess the future supply of and demand for human resources. Human resource planning allows organizations to get the following benefits:

- a) Provides mechanisms to eliminate any gap that may exist between supply and demand for manpower.
- b) Integrates organizational strategy with HR strategy as HR must 'fit' strategically with the mission of the organization, (Milkovich, 2011).
- c) Matches HR activities and future organizational objectives efficiently.
- d) Achieves economy in hiring new workers/employees.

- e) Expands the HR information base to assist other HR activities and other organizational units.
- f) Coordinates different HR programs such as affirmative action plans and hiring needs.
- g) Ensures more effective and efficient use of HR.
- h) Brings about more satisfied and better developed employees.
- i) Ensures more effective equal opportunity planning (p. 86).

HR planning is the on going planning that will work under a dynamic of organization's human resources philosophy, policies and programmes in the context of the overall strategies, plans and the changing conditions within and outside of the organization.

Resourcing organization involves job analysis for getting job information. A job is a group of positions that are similar in their duties. Job analysis is a purposeful, systematic process of collecting information on the important work related aspects of a job (Gatewood & Field, 2014). The focal point here is the 'collection of job information' that perhaps confines job analysis in a very narrow field of operation. Focusing the decisional aspects, Dessler (2010) opined that job analysis is the procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it. It emphasizes the determination of not only job contents but also the characteristics of the person who would better

do the tasks and activities well and should be the person to be hired. Milkovich and Boudrean (2010) viewed job analysis as a systematic process of collecting data and making judgments about the nature of specific jobs.

Generally, the following information is more or less collected through job analysis (Milkovich, Newman & Gerhart, 2013):

- a. **Work activities:** Information usually collected on the actual work activities performed, such as cleaning, selling, teaching, or painting. Such a list may also indicate how, why, and when the worker performs each activity.
- b. **Human behaviours:** Information on human behaviours like sensing, communicating, decision-making, and writing may also be collected. It includes information regarding human job demands such as lifting weights, walking long distances, and so on.
- c. **Machines, tools, equipment, and work aids used:** This includes information regarding products made, materials processed, knowledge dealt with or applied (such as finance or law), and services rendered (such as counseling or repairing).
- d. **Performance standards:** This includes information about such matters as physical working conditions, work schedule, and the organizational and social context – for instance, in terms of the number of people with whom the employee would normally have to interact.



- e. Human requirements: Information is usually compiled regarding human requirements of the job, such as job-related knowledge or skills/education, training, work experience, and required personal attributes aptitudes, physical characteristic, personality, interest.

Job analysis process involves a number of steps. A general consensus is found about six steps involved with job analysis (Dessler, 2010; Ivancevich 2011), though little variation is found in the activities and sequence of the process tasks. Six step process of job analysis are: (1) Identification of the use of the job analysis information since this will determine the type of data to be collected , (2) Review of relevant background information from organization charts, process charts and other organizational documents to know how each job fits with the total fabric of organization; (3) Selection of representative positions to be analyzed; (4) Collection of data on job activities, required employee behaviors, working conditions and human traits and abilities needed to perform the job, (5) Review of information with job incumbents to make the information factually correct and complete; (6) Develop a job description and job specification, the two concrete products of the job analysis (Ivancevich 2011).

Job description is a written statement that explains the duties, working conditions and other aspects of specified jobs (French, 2009). It should accurately

portray job contents, environment and conditions of employment. There is no standard format for writing job description. Generally, two approaches according to French (2009) may be used. One approach is to write a narrative description in a paragraph and another approach is to breakdown the description into several subparts, such as job title, job code, job grade, job location, date, author, status, supervisor, job summary, job duties and working conditions (Werther & Davis, 2011). However, typical job description contains three sections: (Milkovich & Bondream, 2010). They are:

- a. Identification: It may contain job title, number of incumbents, location of the job, job number/ code, job grade and salary grade. Its purpose is to clearly identify the job and to distinguish it from those with similar job titles and duties.
- b. Job activities/ performed: It shows the reasons for its existence. It contains relationship, how it fits in with other jobs and with the organization, responsibilities and duties, behaviours of the incumbent, standard of performance among others. It ought to provide an accurate literary picture of the job. For managerial jobs, the size of the budget, people under the incumbent's supervision and reporting relations with other managers both higher and lower organization levels are mentioned.

- c. Working conditions: It contains the context in which the action takes place. Clear statement of tools, equipments, hazards and noise levels, physical conditions of the workplace, working hours, and other relevant information about working conditions.

Job specification is a written explanation of the knowledge, skills, abilities, traits, and other characteristics necessary for effective performance in a given job. Job specification states the minimum acceptable qualifications that the incumbent of a given job must possess to perform the job successfully (DeCenzo & Robbins, 2008). These requirements may include basic education, physical and health conditions, appearance, mental ability, previous work experience, maturity, human relation/ contact, special training, trade skills among others.

Job description and job specification may be prepared in two different sheets or in a single statement containing two separate parts – upper part is job description and lower part is job specification. Both of the statements should be clear, specific, and brief. The methods usually used to determine job elements and the concomitant knowledge, skills and abilities necessary for successful performance are: observation, individual interview, technical conference, employee diary, or employee log, performance, critical incidents, and work sampling (Werther & Davis, 2011). Either method or a combination of methods may be used depending on the nature of the job under study.

Recruitment is the next logical step of resourcing in an organization. It is one of the first active stages of the resourcing process of an organization that attempts to deal with shortages in its human resources needs. Recruitment is the process of finding and attracting capable applicants to fill vacant positions in an organization (Werther & Davis, 2011). Recruitment refers to organizational activities that influence the number and types of applicants who apply for a job and whether the applicants accept jobs that are offered (Ivancevich, 2011; Milkovich & Boudreau, 2010).

Recruitment, according to Noe, Hollenback, Gerhart and Wright (2012), refers to the activities of recruiting and selecting potential employees for vacant positions. Okeke-Uzodike and Subban (2015) described this function as including all activities such as selection, promotion and placement, which are either related to external hiring of personnel or internal movement of employees across positions. This therefore involves the elements of recruitment, selection and placement. Griffin (2014) termed recruitment as a process of attracting individuals to apply for jobs that are open.

Recruitment is a two way communication process. It is the front end of the employer-employee relationship. Both desire accurate information about one another and send signals about the employment relationship. Applicants signal that they are attractive candidates and should receive job offers and try to get

organizations to give them information to determine if they want to join the organization. Organisations, on the other hand, want to signal that they are good places to work, they want to get signals from applicants that give true pictures of their potential values as employees (Milkovich & Boudreau, 2010). Both parties to the relationship will attempt to influence each other's expectations through a process of mutual exchange of negotiation (Harriot, 2009).

Organizations may tap many sources for getting sufficient job applicants to get a satisfactory pool of recruits. Most organizations have to use both internal and external sources to generate a sufficient number of applicants (Ivancevich, 2011). Internal sources are the potential candidates for the vacancies within the existing employees of an organization. The use of this source depends on organizational policy for recruiting from within the firm. If organizational policy does not permit recruitment from within the firm, internal sources may not be of use. If there is a union, and the jobs are covered under union contract, the situation is routine-notification among the current employees is given for application; otherwise, the procedure is more complex and varies considerably from organization to organization (Milkovich & Boudreau, 2010).

There are four methods used for searching internal candidates. They are:

- a) Job posting: Informing employees about openings and required qualifications and inviting qualified employees to apply. Bulletin board

notices or printed bulletins can be used for this purpose (French, 2009).

Any employee who is interested may bid on the job (enter the competition for the job).

- b) Employee referrals: Informal communications among managers can lead to discover the best candidate for a job already working in a different section of the organisation.
- c) Skills inventories: Internal employee records are used in developing inventory of talents within the organization. Today computerized skills inventories of employees are used for this purpose. HRM searches this inventory to identify most qualified job candidates.
- d) Inside moonlighting: Enticing people by offering bonus, overtime among others. to take up the additional job or second job. Thus, some people will clearly be motivated to accept the additional work if they are fairly compensated (Ivancevich, 2011).

External recruiting is for get used to people from outside the organization to apply for jobs (Griffin, 2014). It is the process of finding potential external candidates and encouraging them to apply for and /or be willing to accept organizational jobs that are open (Bartol, Martin, Tein & Mathews, 2007). There are many external sources used by various organizations. The sources are:

- 1) **Advertising:** It is the most familiar form for attracting job seekers. Normally, the most useful advertisement is one that specifies the exact nature of the job, the qualification required and the salary range (French, 2009). As a source of recruitment, advertising has got many attractive merits but it is not free from drawbacks. However effective job/employment advertisement must be attractive, interesting, desire creating, prompt action generating and non-discriminatory and legal.
- 2) **Placement agencies:** These are head hunters who act on behalf of appointing firms. There are various placement agencies engaged in clientele service. They are public agencies, private agencies, management consultants, temporary help services, schools, colleges and universities, professional organizations, executive recruits.
- 3) **Relatives and friends:** These are also a very intimate source of recruitment. It is a very old and traditional source for getting qualified job applicants. Employers are turning to relatively non-traditional sources of applicants (Wender, 2009).
- 4) **Telerecruiting:** Phone calls to potential candidates, with names obtained from mailing lists of professional associations, schools, and mailing list companies.

- 5) **Direct Mail:** Using lists from telerecruiting. Through this list available vacancies are sent directly to the emails of interested applicants.
- 6) **Point of Sale Recruiting Messages:** Posters, literatures, messages on the back of cash register are useful if customers are potentially qualified applicants.
- 7) **Talent Scout Cards:** A card containing job information given to managers to distribute to exceptionally friendly, helpful customer service personnel, they encounter while doing their own shopping.
- 8) **Posters:** Job vacancies are displayed on community bulletin boards, parks, Laundromats, banks, among others to notify the public on job openings.
- 9) **Door Hangers:** Useful for recruiting in a specified geographical area.
- 10) **Information Seminars:** This is used for hunting skills or on topics specific to one's industry, such as new developments in artificial intelligence. The latter may attract qualified professionals who would be reluctant to attend an open house or job fair, where the recruiting purpose was more explicit.
- 11) **Welcome Wagon, Relocation consultants, Realtors:** Organizations are aware of newcomers to the community. Increasingly, spouses of



individuals transferred into the community are seeking work, and can be located through these sources.

- 12) **Referral Programs:** Employee referral systems are common, but now some firms are encouraging their customers and suppliers to refer candidates as well.
- 13) **Outplacement Firms and Local Layoffs:** Skilled employees who have lost their jobs through no fault of their own may be found by contacting outplacement firms and by monitoring the local paper for layoffs at other establishments in the community.

Once an effective recruitment programme has supplied enough job applicants, the organization faces the task of choosing the best ones for specific jobs (French, 2009). The choosing is the selection of applicants to be appointed in the vacant positions. Milkovich (2011) saw selection as the process by which an organization chooses from a list of applicants the person or persons who best meet the selection criteria for the positions available considering current environmental conditions. The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable to the abstract and personal (French, 2009).

Generally, a selection process involves a series of steps, which applicants pass through. The sequence of steps may vary from firm to firm, with some steps

taking place simultaneously (Werther & Davis, 2011). Each of these steps represents a decision point requiring some affirmative feedback for the process to continue. Each step in the process seeks to expand the organization's knowledge about the applicants' background, abilities and motivation and increases the information from which decision makers will make their prediction and final choice (Decenzo & Robbins, 2008).

Various kinds of tests are used for selecting employees. The types of tests or a combination of tests that is ultimately used will depend on a number of factors, including the budgetary constraints of the organization, the complexity and difficulty of the job, the size and quality of applicant population and of course the knowledge, skills, abilities, and other characteristic required by the job (Ivancevich, 2011). The various tests are: (1) Achievement or proficiency or knowledge test – to measure the depth of job relevant knowledge possessed by the candidates; (2) Aptitude or potentiality test – to assess the candidates' ability to learn new skills which includes short term memory test, spatial perception test, discrimination test, and motor ability test. (3) Mental ability or intelligence test – to assess a person's abilities with words, numbers, logical reasoning and spatial relationships. Generally it is known as intelligence quotient (IQ). (4) Personality test - to construct a profile of a person's attitudes, behaviour and habits (French, 2009:232). A subset of personality measurement is the use of polygraph or honesty

tests, which attempt to measure truthfulness. It gives candidates level of introversion, stability and motivation. (5) Interest test- to discover a person's likenesses and dislikelinesses and gives an interest profile of the candidate that enable the recruiter/management to place him in best fit position. This also ensures success of the candidate in his new job (6) Physical ability test- to assess the static strength, dynamic strength, body coordination, stamina, reaction time and other body traits. (7) Substance abuse test- to measure the presence of illegal or performance affecting drugs into the candidates. In recent years, more and more organizations have required applicants to be tested for substance abuse (French 2009:233). (8) Work samples – to measure the practical work performance ability of the candidate in a real world situation. Work samples are miniature replicas or simulations of actual on- the- job behaviour such as shorthand, work processing (Milkovich & Boudreau, 2010). This improves selection and also provides a realistic preview of the job and saved training cost to a large extent. Organization may select the test method or methods on the fair analysis of the job requirements, company policy and financial capacity. Whatever the selection method is or methods are; it is wonderful mechanism to identify the right traits of the candidates that fulfills the job specification.

- 1) Reference check: The candidates who withstand the employment test will be selected for the interview subject to favourable reference information.

Reference check is done to verify the background information that the applicant has given to the organization. Most employers try to check and verify the background information and references of the job applicants.

- 2) Interview: The candidates who got the favourable reference will be asked for interview. An interview is a procedure designed to solicit information from a person's oral responses to oral inquiries (Dessler, 2008). Werther and David (2011) expressed the view that the selection interview is a relatively formal, in-depth conversation conducted for the purpose of assessing a candidate's knowledge, skills, and abilities, as well as providing information to the candidate about the organization and potential jobs. Thus, the interview offers a chance for the managers to fill in gaps in the information provided by application forms and tests (French, 2009).
- 3) Physical or medical examination provides health information such as height, weight, disease, defects, drug habits etc of candidates that help the organization to screen out unfit candidates, place candidates in suitable jobs, and to reduce future compensation liability/ claim against the organization. Selection process includes this medical evaluation of the applicants before the hiring decision is made.
- 4) The qualified candidates are finally selected for employment. Telephone, letter or face- to -face conversation are used to convey the appointment

message to the selected candidates. Others, not selected are also communicated through general notice or personal letter. The candidate is often offer probationary appointment and not be eligible for permanent appointment and all the benefits of the organizations until the expiry of a stipulated probationary period. The applications of rejected candidates are retained (panel of candidates) either for future job openings or for the same vacant post if the finally selected candidate does not accept the employment offer or goes away after certain period of service. If some recruits prove to be unsatisfactory after they are hired, the candidates are chosen from this panel.

- 5) The appointed candidates are then placed in the orientation programme before placement in the assigned job. Orientation is also known as indoctrination, induction or socialization. A few experts separate socializations from orientation and make it a small part of the socialization (Dessler, 2008, Werther & Davis 2011). The actual meaning of the orientation is acquainting with the existing situation or environment. Orientation or socialization is designed to provide new employees with the information needed to function comfortably and effectively in the organization (Stoner, Freeman & Gilbert, 2009). It covers the activities involved in introducing a new employee to the organization and to his or her

work unit. Socialization is the ongoing process through which an employee begins to understand and accept the values, norms and beliefs held by others in an organization.

- 6) **Foundation Training:** Elementary training is provided to the selected candidates to make them fit with the jobs of the organization as well as to identify their most potential placement. This is also used for screening least motivated candidates. In some organizations, it is an essential part of the selection process and in some, it is not.
- 7) **Placement:** Placement is the assignment of an employee to a new job. After general orientation and /or foundation training, new recruits are placed to the position where he/ she will work which is normally the opened vacancy. Then they are posted /placed to that section. The decisions of placement are made by line managers. The HR department advises the line managers about the company's policies and provides counseling to the employees (Werther & Davis, 2011).

### **Employee Development and Training Practices of SMEs Managers**

Training and development are processes that attempt to provide an employee with information, skills, and understanding of the organization and its goals (Ivancevich, 2011). Wexley and Latham (2008) opined that training and development is a planned effort to facilitate employee learning of job-related

behaviours in order to improve employee performance. Though the terms 'training' and 'development' frequently used as synonyms or mutually exclusive, (Goss, 2008), experts and practitioners separate and treat them as two distinguished terms having different connotations (Bartol, Martin, Tein & Mthews, 2007). Training denotes efforts to increase employee skills on present jobs while development refers to efforts relevant to future jobs (Schuler & MacMilian, 2010). Therefore training is both a part and a precondition for development. Goss (2008) rightly argued that the connection between training and development must be regarded as highly interactive, each facilitating the other, in what may be thought of as a dialectical relationship.

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job (DeCenzo and Robbins, 2008). Similar opinion has been expressed by Jucius (2009) who stated that any process by which the aptitudes, skills, and abilities of employees to perform specific jobs are increased is called training. Milkovich and Boudreau (2010) opined that training is a systematic process to foster the acquisition of skills, rules, concepts, or attitudes that results in an improved match between employee characteristics and employment requirements.

Two views have been associated with training. One related training as 'instilling or teaching skills, attitudes among others. To perform a present job

efficiently' and the other relates training with changing behaviour to improve organization's effectiveness or goals (French, 2009).

Training is a process that involves various steps. The number of steps is being debated by writers and experts but it centres around three to seven steps. French (2009) prescribed seven steps for employee training and they include determining the need for skills training, translating skills needs into training objectives, selecting trainees, determining the curriculum and choosing training methods, formulating the budget, selecting and training trainers and establishing evaluation procedures. Raymond (2010) suggested five steps in the training and development process: needs analysis, instructional designs, validation, implementation and evaluation and follow up. Werther and Davis (2011) maintained that training requires five steps which are, need assessment, training and development objectives, program content and learning principles, actual program, evaluation. Cascio (2010) pointed out four steps which are: assess instructional need, select training media and learning principles, conduct training and evaluation.

Need assessment diagnoses current problems and future challenges to be met through training and development (Werther & Davis, 2011). The purpose of the need assessment is to identify the specific job performance skills needed, to analyze the skills and needs of the prospective trainees. Ivancevich (2011)



maintained that the needs assessment involves analyzing organization's needs; the knowledge, skill, and ability needed to perform the job; and the person or jobholder's needs. Moreover, various objectives and strategies of the organization are to be matched with a firm's human talents, structure, climate and efficiency. In this respect, Breadwell and Holden (2010) opined that the important consideration is the reconciliation of the training and development needs of the individual to that of the organization.

The training needs can be ascertained by (1) observation at the place of work (the present skill levels of employees (examination of the job); (2) interview with the supervisors and employees; (3) comparative study of good versus bad employees with a view to identify the gap; (4) production reports; (5) personnel records; (6) review of the literatures on the jobs available in an organization and the machines used; (7) task analysis - an analysis of the job's requirements (Douglas, Klein & Hunt, 2015); (8) examine the problems that employees have; (9) employees' suggestions and (10) the organizational needs -the number of employees with various combinations of skills needed at each level and in every part of the firm for specified period (French, 2009). In essence, any gaps between expected and actual results suggest a need for training (Kirkpatrick, 2016).

Once training needs have been determined, concrete, measurable training objectives should be set. According to Douglas, Klein and Hunt (2015), training

and development or instructional objectives are defined as a description of a performance that learners are expected to exhibit before they are considered competent. It is a translation of skills needed into specific training objectives or desired outcomes of training activities. Objectives specify what the trainees should be able to accomplish after successfully completing training programme (Wensky & Legendre, 2011). Training objectives should include such matters as the specific skills to be taught, the number of people to be trained, and from which units, and the period within which such training should take place. Objectives for the training program that do not relate directly to specific job skills such as employee health and safety guidelines, promotional opportunities, and self study opportunities (Nea, 2014) should also be considered.

The next logical step of the training programme is the selection of right person/employee for the programme. Both the organization and the individual would benefit if a deserving employee were chosen for the training programme. Organizations will provide the right training to the right people to create and maintain a well-trained and stable workforce. The individuals will receive higher pay, additional prestige and greater opportunities for promotion. There are at least four considerations important in selecting trainees and they are: (1) Legal guidelines, (2) employee needs and motivation, (3) skills obsolescence and retraining, and (4) multi-skilling (French, 2009).

The next phase would be getting training materials ready and training method finalized. The curriculum must meet the needs of the organization and the participants must be consistent with training objectives. The materials should not be beyond the trainees' level of sophistication, nor should they be too elementary. There should be sufficient pertinence to create optimum motivation. The training method should fit the characteristics of the target group, the kinds of things that need to be taught, and the organizational resources that are available for training (Douglas, Klein & Hunt, 2015).

There are various methods of training grouped into two broad methods: on - the -job and off –the-job training. Douglas, Klein and Hunt (2015) asserted that on- the- job training is a primary skills training approach. It is the most widely used method of training. One estimate shows that more than 60 percent of training occurs on –the- job (Ivancevich, 2011). Under this method, the employee is placed into the real work situation and shown the job and the tricks of the trade by an experienced employee or supervisor.

On-the-job training virtually automatically creates the same environment, cues, and rewards in the training that the individual experiences when actually doing the job (Milkovich & Boudreau, 2010). Realism is maximised in this training. It is least costly or virtually inexpensive. The drawbacks of the method

are low quality output, damage of machinery by the novice trainee, low quality or defective products. (DeCenzo & Robbins, 2010; Milkovich & Boudreau, 2010).

Off-the-job-training covers a number of techniques: (1) lecturers and conferences are quick and simple way of providing knowledge to large number of trainees particularly in giving rules, procedures or methods. (2) programmed computer-assisted instruction-complex computer modeling is used to initiate some of the realities of the job and used in giving training without any risk; (3) audio-visual based training-materials like videodiscs, videocassettes, and films are used in skills training with the limitation that there is no interaction between the trainer and the trainee. Videoconferencing is a growing technique for skills training today; (4) programmed instruction- a systematic method for training job skills involving presentation of questions or facts, allowing the person to respond and giving the learner immediate feedback on the accuracy of his or her answers (Dessler, 2010); 5) interactive video training-- combines a computer and key-board, a video screen material stored on a video disc, and video camera and tape into one system with a 'doctor' who comes at interval with questions and with correct answer after being answered by the trainee on the screen from among options. The trainee can repeat the exercise until he or she is satisfied (French, 2008).

Validation of the training programme would be made to make it effective and result oriented. It should be listed before a representative audience. Based on

final revisions of pilot results a budget is prepared for the training programme. It is an interactive process with other steps in the training programme development process. Budget constraints may limit the human resources manager's alternatives and must therefore be considered during all phases of the development process (French, 2009). Training generally involves with costs of staff planning time, trainee wages, trainer wages, and direct expenses for materials, accommodations and meals.

Training must be evaluated by systematically documenting the outcomes of the training in terms of how trainees actually behave back on their jobs and the relevance of the trainees behaviour to the objectives of the organization (Snyder, Raben & Farr, 2009). Effective criteria that are used to evaluate training focus on outcomes. Experts agree on four outcomes of the training programme (Kirkpatrick, 2016). They are: (1) Reaction-feeling of trainees to the training programme; (2) Learning or knowledge-acquired knowledge through training experience. It uses feedback devices or pre-and post-tests to measure what learners have actually learned; (3) Behaviour- change in behaviour resulted from the training; and (4) Results: - level of improvement in job performance and in organizational productivity, quality, turnover or accident reductions among others. There are several methods available for measuring the effectiveness of training (Beardwell & Holden, 2008). They are:

- a. Questionnaire (Feedback form) or happiness sheets which are common ways of eliciting trainees responses to courses and programmes.
- b. Tests or examinations which are common on formal courses, which provide a certificate, (test-retest method).
- c. Projects which are seen as learning methods and can also provide valuable information to instructors.
- d. Structured exercises and case studies which are opportunities to apply learned skills and techniques under the observation of tutors and evaluators.
- e. Tutor reports: Which contain valuable assessment from a different perspective.
- f. Interviews of trainees at post-course or instruction period which may be taken informally or formally, individually or in group or by telephone.
- g. Observation of courses and training by those devising training strategies in the training department and received information would be compared with trainee responses.
- h. Participation and discussion during training.

- i. Experimental control group method: two groups which are established which are comparable as to skills, intelligence, and learning abilities and evaluated on their actual job performances.
- j. Pre-post performance method: Where each trainee is evaluated prior to training and rated on actual job performance. After instruction is completed the trainees are reevaluated (Beardwell & Holden, 2008; p.35).

In the same vein, employee development is a continuous process in the most successful firms (Ivancevich, 2011). Thus, employee development has become a strategic goal for organizations today (Beardwell & Holden, 2008). Success depends upon the way organizations choose to approach development. Organizations must be prepared to develop individual managers and management teams that are not only flexible, adaptable and innovative in technical, financial and business issues, but skilled in human resource management as well, in order to achieve success. To achieve this, organizations are to establish, as a strategic imperative, greater investment in continuous management education and development (Coulson-Thomas, 2009). Organizations that fail to make this type of investment are unlikely to exploit future opportunities and potentials; adapt successfully in the face of major changes; develop new markets and products;

retain and motivate employees; create and sustain an effective management team; and survive and prosper (Beardwell & Holden, 2008).

Employee development is a conscious and systematic process to control the development of human resources in an organization. French (2009) stated that management and career development programmes represent efforts to increase an organization's present and future ability to meet its goals by providing educational and developmental experiences for managers and all employees above and beyond the immediate technical requirements of their jobs. The concept explicitly expressed that the management development is meant for non-operative employees or incumbents and the goal is to increase the effectiveness of the organization through their development. Instead of employees being fed information on a course, their managerial capacity and potential would be developed by a wide variety of experiences, through which they would acquire greater understanding, awareness, sensitivity, self-confidence and those other aspects of effectiveness that are regarded as most important but which could be inculcated (Torrington & Hall, 2013). Management development can be differentiated from other types of training in four important ways namely:- (1) management development is a broader concept and is more concerned with developing the whole person rather than emphasizing the learning of narrowly defined skills; (2) It emphasizes the contribution of formal and informal work experiences; (3) The concept of management development



places a greater responsibility on managers to develop themselves than is placed on most employees to train themselves; and (4) Managers are developed as much for jobs that they will be doing as for the jobs that they are doing (Torrington & Hall).

There are many methods and approaches in use today for developing managerial and supervisory abilities and for meeting the developmental needs of the employees and of the transitions. The available techniques may be grouped for convenience in two categories:- on-the-job and off the-job development methods.

The major on-the-job management development methods are:

- 1) **Coaching:** Coaching is an informal approach to management development based on a close relationship between the developing manager and one other person usually the immediate manager, who is experienced in management (Torrington & Hall, 2013). Coaching involves frequent helping activities on the part of a supervisor toward a subordinate (French, 2009). Coaches are managers who help employees grow and improve their job competence on a day-to-day basis.
- 2) **Job Rotation:** Involves moving management trainees from department to department to broaden their understanding of all parts of the business (Rothwell, Kazemas & Haines, 2012).

- 3) **Understudy Assignment:** Involves assigning an inexperienced manager to work for more experienced managers, often on an 'assistant to' basis (French, 2009). The understudy relieves the executive of certain responsibilities, thereby giving the trainee a chance to learn the job. Eventually, the trainees will be capable to perform at the same level as the experienced managers and to assume key positions in due course.
- 4) **Mentoring:** A role filled by someone other than the immediate supervisor who guides, encourages, and supports young and less experienced employees or protégés. Mentoring helps the employees to learn of their employees, contributes to the process of meaning - making in the organization and hence to its responsiveness to its environment, while meeting the developmental needs of employees.
- 5) **Committee Assignment/Junior Board:** Committee or Junior Board providing opportunity for employees to share in managerial decision making, to learn by watching others, to investigate special organizational problems, and to make recommendations on overall organizational policies.
- 6) **Action Learning:** Which gives managers released time to work full time on projects, analyzing and solving problems in departments

other than their own. Management trainees work together as a project group to compare notes and discuss each other's projects (Torrington and Hall, 2013).

Off-the-job management development techniques are wide in variety. Few of the popular methods according to Torrington and Hall (2013; p. 60) are discussed in a nutshell below:

1. **Lectures and Conferences:** Lecture courses offer an opportunity for managers or potential managers to acquire knowledge and develop their conceptual and analytical abilities. Conference and seminar are structured around a small-group meeting in which a leader trained in group decision methods, helps the group to identify and define a problem, guides the discussion so that it is constantly directed toward the problem, and summarizes the principles or explanations that reflect the consensus of the group in dealing with a problem.
2. **Computer-assisted Instruction:** A business problem is given to the participants and they analyze the situation and make a decision with the help of computer. The trainer ascertains the correctness of the simulation and provides feedback to the participants. Computer models can provide participants with sufficient realism to allow practice applications without

undue risk that the organization's operations will be disrupted or that the firm will lose money.

3. **Seminar:** Participants take part in a discussion where a person present the keynote paper and some selected discussants participate in the discussion on the issues specified in the paper. Participants may also take part in the discussion. Participants will be enriched with the documents and discussions.
4. **Laboratory Technique:** This are experienced based learning methods that utilize one or more approaches such as case discussions/studies, incidence process, role playing, computer simulations, management games or problem solving exercises, and/or relatively unstructured group discussions (French, 2009). Managers learn from the dynamics of the sessions and from the application of specific managerial and supervisory techniques in simulated work situations.
5. **Case Discussions/studies:** Present a trainee with a written description of an organizational problem. The person then analyses the case in private, diagnoses the problem and presents findings and solutions in a discussion with other trainees (Wexley & Latham, 2008).

## **Employee Compensation Practices of SMEs Managers**

Various terms have been used to denote payments to the employees of the organization for their work. 'Pay', 'remuneration', 'compensation', 'wage and salary' are terms with narrow and broad meanings used for the purpose. 'Pay', 'wage and salary' carry a narrow meaning than that of other terms. Pay is the money paid to somebody for regular work. One thing should be made clear here that 'wage' and ; 'salary' have slight difference in their meanings. Wage refers to an hourly rate of pay and is the pay basis used mostly for production and maintenance employees (blue-collar workers) and salary refers to a weekly, monthly or yearly rate of pay to clerical, professional, sales and management employees (white-collar workers) (French, 2009). On the other hand, compensation deals with every type of reward individuals receive in exchange for performing organizational tasks (Ivancevich, 2012). Employee compensation refers to all forms of pay or rewards going to employees and arising from their employment.

Milkovich and Baudreau (2010) noted that compensation consists of wages paid directly for time worked, as well as more indirect benefits that employees receive as part of their employment relationship with an organization. So, compensation includes two things (1) direct financial compensations which is typically made in cashable form that reflect direct work related compensation such as base pay, wages and salaries, merit increases or increments, bonuses-festival or

incentive, commissions; (2) indirect financial compensation or benefits consists of all forms of compensation beyond direct financial compensation such as (a) paid leave-vacations, holidays, sick leave, other leaves; (b) supplementary pay-shift pay, non-productive bonuses; (c) insurance-life insurance, health insurance, sickness and accident insurance, long-term disability insurance; (d) retirement and savings -defined benefit pension, defined contribution pension; (e) legally required benefits-provident fund, social security, preparatory leave for retirement, medicare, workers compensation; (f) other benefits -stock ownership.

There are non-financial rewards like praise, self-esteem and recognition (Ivancevich, 2011) that affect employee motivation, productivity and satisfaction, not included in remuneration. This also includes other forms of rewards and returns that employees may receive such as promotions, recognition for outstanding work, feeling of accomplishment, choice office location and the like (Milkovich & Boudreau, 2010). All these elements constitute an organization's reward system.

Pay is a necessity of life of working people and a strong tool for attracting and motivating working people for more effective performance (Ivancevich, 2011, Milkovich & Boudreau, 2010,) Pay is meaningful to the employees in four dimensions (Wendelien, 2015). They are: (1) salient motives- pay is meaningful because the employees' expect that it will help them to satisfy important motives and to reach relevant goals; (2) relative position- pay provides feedback on how the

employees' task performance is progressing with respect to the goals or targets set and about the employee's effectiveness in comparison with others in the organization; (3) control- pay is meaningful because it signifies to the employees the extent to which the employment have been successful in influencing others during task performance in order to reach set goals; (4) spending- pay is meaning because it reflect the products and services that the employee can afford to purchase, thus it is perceived in terms of individual welfare. Thus, pay helps organizations achieve set objectives, and obtain, maintain, and retain a productive workforce (Werther & Davis, 2011).

Pay dissatisfaction or inadequate compensation will cause absenteeism, excessive turn-over, job dissatisfaction, strike, poor performance and will make replacement difficult. Therefore, it has to be managed efficiently so that an all-party acceptable compensation package can be developed and implemented. It is true that there is no all-time adaptive compensation. It has to change with the changes of the micro and macro environmental factors/ forces.

Compensation has to be managed in a systematic and efficient manner in order to make it attractive to job seekers as well as incumbents and accommodative to future situations. Khanzode (2012) opined that wage and salary administration refers to the establishment and implementation of sound policies of employee compensation. It includes such areas as job evaluation, development and

maintenance of wage and salary structures, compensation surveys, incentives, profit sharing, compensation changes and adjustments, supplementary payments, control of compensation costs, and other related pay items. The goals of an effective compensation management, according to Werther and Davis (2011), are to acquire qualified personnel, retain current employees, and ensure equity. The authors opined that pay is to be related to the relative worth of a job so that similar jobs get similar pay (internal equity) and what comparable workers are paid by other firms in the labour market (external equity) and reward desired behaviour (pay should reinforce desired behaviours and act as an incentive for those behaviours to occur in the future such as favourable work performance, loyalty, experience, responsibility and other behaviours). Werther and Davis (2011) further noted that pay should be related to control costs, comply with legal regulations of the government, facilitate understanding among human resource specialists, operating managers and employees and to further administrative efficiency.

Compensation management is to create a system of rewards that is equitable to the employers and employees alike (Ivancevich, 2011). Patton (2009) suggested that in compensation policy, seven criteria should be present to ensure effectiveness. The criteria are:

- 1) **Adequately:** Minimum governmental, union, and managerial levels should be met.



- 2) **Equitable:** Each person should be paid fairly in line with the person's efforts, abilities, and training.
- 3) **Balance:** Pay, benefits, and other rewards should provide a reasonable total reward package.
- 4) **Cost-effective:** Pay should not be excessive, considering what the organization can afford to pay.
- 5) **Secure:** Pay should be enough to help an employee feel secure and aid the employee in satisfying basic needs.
- 6) **Incentive providing:** Pay should motivate effective and productive work.
- 7) **Acceptable to the employee:** The employee should understand the pay system and feel it is a reasonable system for the enterprise and the employee.

Torrington and Hall (2013) pointed out two-dimensional objectives of employee compensation- Employee objectives and employer objectives-that people want to achieve through the contract for payment. The employee objectives are: (1) to have purchasing power that determines the standard of living of the recipients; (2) to have 'felt-fair' about the payment that it is fair for the job; (3) to have the 'rights' on the share of the organization's profits; (4) to have 'relativities' of the pay in relation to what others are getting in the similar jobs;(5) to have 'recognition' for their personal contribution to the job or the organizational efficiency and effectiveness; (6) to have a favourable composition of pay package. The other side

of the picture is the thinking of the employers about the range of objectives to be achieved through a compensation policy. They are: (1) to maintain the 'prestige' (pride at doing better than others); (2) to have a sufficiently 'competitive' pay to sustain the employment of the right numbers of appropriately qualified and experienced employees to staff the organisation, (3) to have control over cost that will facilitate control of operations and potentially save money: (4) to have a motivational and performance generating pay: (5) to have a cost effective pay policy. Werther and Davis (2011) emphasized that such a remuneration policy should successfully match the demands of both the participants of the organization.

### **Employee Relations Practices of SMEs Managers**

Employee or labour relations are significant aspects of human resource management (HRM) to maintain a peaceful working environment in small and medium enterprises (SMEs). Employees need to have involvement in the management of human resources that affect their interests. A well thought-out structure of employee participation system, grievance system, dispute handling management, disciplining system and labour representation system maintain conducive labour relations in the organization which will ultimately ensure uninterrupted operations, progress and prosperity of the firm.

Kapoor (2008) described employee relations as a dynamic and developing concept which is not limited to the complex relations between trade unions and

management but also refer to the general web of relationships normally obtaining between employers and employees – a web much more complex than the simple concept of labour-capital conflict. The International Labour Organization (ILO) (2010) understands that employee or industrial relations are the relationships between the state on the one hand and the employers' and employees' organizations on the other or are the relationships among the occupational organizations themselves. It involves freedom of association and the right to organize; and the application of the principles to the collective bargaining, conciliation, arbitration, and the machinery for cooperation between the authorities and the occupational organizations at various levels of the economy. Labour or industrial relations are an integral aspect of social relations arising out of employer- employee interaction in modern industries, which are regulated by the state in varying degrees, in conjunction with organized social forces and influenced by the existing institutions.

Ivancevich (2011) opined that labour relations is the continuous relationship between a defined group of employees and management. This involves the negotiation of a written contract concerning pay, hours, and other terms and conditions of employment as well as the interpretation and administration of this contract over its period of coverage.

Discipline is one of the most challenging areas in the human resource management function (Ivancevich, 2011). The promotion and maintenance of employee discipline is essential for a group to be effective or productive. Employee morale and industrial peace are definitely dependent upon proper maintenance of discipline. If the members of an organization do not abide by the rules of the organization, it may collapse. Chaos, confusion, disobedience, disloyalty and antisocial or anti organizational activities develop to the detriment of everyone. Thus, discipline is a process of training an employee through positive and negative manner so that the employee can develop self – control and can become more effective in assigned work. It is an attitude of the mind, a product of culture and a particular environment which impels an individual to willingly operate in the observance of the rules of the organization to which the individual belongs. This conformity and willingness to work for the objectives of an organization have to come from within, though at times they may have to be imposed by an external agency.

A sound disciplinary system should have the following ingredients:

- 1) Disciplinary policy formulation and declaration: Disciplinary rules and regulations are to be followed by the employees. They are to behave in a responsible manner. Therefore, it should be formulated by taking all parties and their opinion into consideration. The rules should be framed in a clearly

understandable language. The policy should be communicated to the employees well ahead so that they can understand the codes to be followed and refrain themselves from taking inconsistent actions. So, the employee should be adequately warned of the consequences of possible misconduct (Dessler 2010).

- 2) **Location of responsibility:** The responsibility for maintaining discipline should be entrusted to a responsible person (a line executive), though it is the human resource officer who should be entrusted with the responsibility of offering advice and assistance. One thing should be kept in mind that the burden of proof of misconduct is the employee.
- 3) **Reasonable and legitimate rules and regulation:** Disciplinary rules should be practicable in normal working conditions for an average employee. The standards should be attainable and within the capacity of the employee to follow. Employees tend to lose respect for rules that either seem illogical and out of date or are not enforceable. There shall be no rule contrary to the law of the country and to the international laws. Therefore, the rule that allegedly was violated should be reasonably related to the efficient and safe operation of particular work environment (Dessler 2010).
- 4) **Impersonality of action:** It should be applied without any bias to everybody irrespective of position and identity. All defaulters should be

treated alike, depending on the nature of their offence. Therefore, the applicable rules, orders, or penalties should be applied evenhandedly and without discrimination.

- 5) **Consistency of action:** Disciplinary actions should be consistent. The discipline should be in line with the way management usually responds to similar incidents (Dessler, 2010).
- 6) **Privacy of action:** Disciplinary action, if taken in the presence of others, may offend the sense of dignity of the employee and impair the employees' social standing with colleagues. So, "One should not rob a subordinate of dignity" (Dessler 2010:597).
- 7) **Promptness of the action:** Justice delayed is justice denied. If a penalty is imposed long after the violation of rules had been committed, it loses its positive and corrective influence, and may even induce resentment, which may not have developed if the penalty had been imposed in time (Antfuso, 2014). Care should, therefore, be exercised to ensure that penalty is imposed soon after an infringement of a rule has occurred, and that the punishment is not unfair.
- 8) **Innocence is presumed:** An individual is presumed to be innocent until the individual is proven to be guilty. It is for the management to prove beyond

reasonable doubt that a violation or an offence has been committed before any punishment is awarded (Dessler, 2010).

9) **Get sufficient evidence:** Antfuso (2014) observed that the arbitrators dismissed disciplinary charges against employees on the ground that the evidence was not persuasive against the employee. Thus, Dessler (2010) suggested that employers should make sure that evidence supports the charge of employee wrongdoing. So, management must adequately investigate matters in a fair and objective manner before administering discipline. The investigation should produce substantial evidence of misconduct (Dessler, 2010).

10) **Action should be taken in cool atmosphere:** “Don’t act while angry” (Dessler, 2010) is a desired guideline when one takes disciplinary action. The employee under investigation should be told specifically what and how diplomacy rules are violated. A rational and sensible judgment can not be taken while someone is angry.

There is hardly an organization that functions without any grievance or complaint. It is an expression of individual dissatisfaction or discontent either from workers or from management. Grievances have considerable significance as harbingers of industrial dispute (Antfuso, 2014). Unresolved grievances can

become an industrial dispute and may cause serious disruption in the organization's operations system.

A grievance is defined as any real or imagined feeling of personal injustice that an employee has about the employment relations (Davis, 2011). Jucious (2009) also took the same dimension of grievance and stated that a grievance is any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks , believes or even fees to be unfair, unjust or inequitable.

An effective grievance handling system will have well designed procedure, simple, fair, easy to understand, communicated to all, prompt and speedy, accepted by employees, designated authorities to handle grievance and must ensure natural justice to the aggrieved person. In this respect, there exists a conventional practice which is encoded in law to deal with grievances of employees that includes (1) knowledge of the grievance; (2) call the incumbent to explain his/her position in person / in writing; (3) give personal hearing; (4) examine the personal records of the employee; (5) consult organizational and legal provisions to find out appropriate action; (6) take appropriate action (Dessler 2010).

### **Empirical Studies**

Related empirical studies are reviewed in this section based on the purpose of the study as follows:



## **SMEs Resourcing Practices**

Denver, Gibson, Tonderayi and Severino (2018) conducted a study on human resource management practices of SMEs in Zimbabwe. One research question guided the study. Six hypotheses were tested at 0.05 level of significance. Survey design was adopted for the study. The population for the study consists of 50 randomly selected SMEs operating in Harare. The study made use of a self designed structured likert scaled questionnaire. Data from self administered questionnaires was analyzed using STATA data analysis software, t stat and p values to test the hypotheses. It was established that SME owner/manager are failing to adopt best practices in Human Resources Management mainly due to financial challenges. Employees in SMEs do not possess the necessary skills to perform their duties effectively. Owner/managers with previous work experience before establishing their own organizations had adopted some form of formalized HRM system after the first year of operation. It was recommended that SME owner/managers should attend human resource management training programmes to broaden their knowledge.

Denver, Gibson, Tonderayi and Severino's study is related to the present study because both focus on human resources practices of managers of SMEs. Both studies differ in geographical location and method of data analysis. While Denver, Gibson, Tonderayi and Severino's study focused on human resource

management practices of SMEs in Zimbabwe, while the present study focused on human resource management practices of managers of small and medium scale enterprises in Anambra State, Nigeria.

Hung, Cant and Wiid (2016) carried out a study on the importance of human resource management for small businesses in South Africa. The purpose of the study was to determine the perceived importance of human resources (HR) among South African SMEs and the management of it. Three research questions guided the study. Survey design was adopted for the study. Population of the study comprised of 88 small business owners. A structured questionnaire was used for data collection. Frequencies and percentages were used for data analysis. The study revealed that most of the respondents strongly agree or agree that HR management tasks such as analyzing and classifying work; hiring and firing employees; motivating employees; training and development of employees; performance evaluation of employees; compensation and benefit allocation; developing and ensuring adherence to personnel rules are important for a business and that they need help with these HR tasks. Based on the findings, it was recommended that short learning programs that focus on human resource management in small businesses be developed and that small business owners enrol for these short learning programs.

Hung, Cant and Wiid's study is related to the present study because both focus on human resources practices of business enterprises. However, the two studies differ in geographical location and method of data analysis. While Hung, Cant and Wiid's study focused on the importance of human resource management for small businesses in South Africa, the present study determined human resource management practices of managers of small and medium scale enterprises in Anambra State, Nigeria.

Kanu (2015) investigated the human resource management practices of small and medium enterprises in Sierra Leone. Three research questions guided the study. Three hypotheses were tested at 0.05 level of significance. Correlational survey design was adopted for the study. The study used both probability and non-probability sampling techniques. The sample size (n) of SMEs obtained for the survey was 525. The study adopted triangulation method in collecting and analyzing data. The qualitative data were collected using 31 in-depth interviews and the quantitative data were collected using questionnaire. The data collected were analyzed using Pearson product moment correlation co-efficient. Findings revealed that there was a significant positive relationship between HRM practices and SMEs performance including sales and employment. This implies that the more SMEs engage in formal HRM practices, the more they observe higher sales and generate more employment. Furthermore, HRM practices showed no

significant statistical relationship with wages. In addition, the descriptive survey analysis pointed out that almost all of the respondents did not have an HRM department. Finally, the statistical description of the survey data revealed that most of the SMEs owner/managers in Sierra Leone made sure that employees' were not aware of formalized rules in job analysis.

The relationship between the reviewed study and the present study is that they both focus on human resource practices. However, while the reviewed study investigated the human resource management practices of small and medium enterprises in Sierra Leone, the present study will determine human resource management practices of managers of small and medium scale enterprises in Anambra State. Both studies also differed in the sense that while the reviewed study used Pearson product moment correlational co-efficient in analyzing data, the present study use mean to answer the research questions, while t-test was used to test the hypotheses.

Ekwoaba, Ikeije and Ufoma (2015) investigated the impact of recruitment and selection criteria on performance using Fidelity Bank Plc, Lagos Nigeria as focal point. Two research hypotheses were tested at 0.05 level of significance. The study adopted survey research design and a structured questionnaire was used to collect data. The population of the study comprised of 3756 full time employees at Fidelity bank PLC in Lagos State. The research population covered the six main

business divisions of Fidelity Bank Plc in Lagos State. Random sampling technique was used to select 132 employees. A structured questionnaire was used for data collection. A total of 132 copies of questionnaire were administered out of which 130 copies were validly filled and returned. Data were analyzed using descriptive and inferential statistics. Chi-square was used to test the relatedness of the hypotheses. The findings of the study revealed that recruitment and selection criteria had significant effect on organization's performance. The findings also showed that the more objective the recruitment and selection criteria, the better the organization's performance. Based on the findings of the study, it was recommended that the bank's management should constantly evaluate the bank's selection methods on the basis of their validity, impartiality, scope of usage, and cost.

The relationship between the reviewed study and the present study is that both focus on recruitment of human resource. However, while the reviewed study investigated the impact of recruitment and selection criteria on performance using Fidelity Bank Plc, Lagos Nigeria, the present study will determine human resource management practices of managers of small and medium scale enterprises in Anambra State. Both studies also differed in the sense that while the reviewed study used Chi-square for testing the hypotheses, the present study used mean to

analyze data related to the research questions, while t-test was used to test the hypotheses.

Muhammad (2009) investigated the impact of job analysis on job performance of public sector organizations in Pakistan. Six research questions guided the study. The study adopted a survey design. The population of the study comprised 568 employees of Pakistan public sector regulatory authorities from Pakistan Telecommunication Authority (PTA), Oil and Gas Regulatory Authority (OGRA), National Electric Power Regulatory Authority (NEPRA), Pakistan Electronic Media Regulatory Authority (PEMRA), Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP) dealing with the telecommunications, oil and gas, power, media, corporate, capital and banking sectors has presented a holistic conceptual framework of human resource practices in relation to recruitment process and its impact on employees' job performance and subsequent job satisfaction and retention. A structured questionnaire was used for data collection. Cronbach alpha method was used for the internal consistency of the instrument. Reliability coefficient value of 0.60 was obtained. Mean and standard deviation, factor analysis and regression analysis were used to analyze data for the study.

The results revealed that importance of job analysis had a positive relationship with job performance in all regulatory authorities except OGRA where

it has a negative relationship. The study further revealed six relationships showing large effect size correlations between job satisfaction and job succession planning, job security and job succession planning, job succession planning and job performance, job design and job performance, job performance and job satisfaction and job security and job satisfaction.

The relationship between the reviewed study and the present study is that they both focus on human resource practices. Both studies utilize survey design as research design. However, while the reviewed study investigated the impact of job analysis on job performance of public sector organizations in Pakistan, the present study determined human resource management practices of managers of small and medium scale enterprises in Anambra State, Nigeria. Both studies also differed in the sense that while the reviewed study used regression analysis in analyzing data, the present study used mean to analyze data related to the research questions, while t-test was used to test the hypotheses.

### **SMEs Employee Development and Training Practices**

Akintunde (2017) carried out a study on human resource management practices and corporate entrepreneurship in selected public and private sector institutions in Lagos and Ogun States, Nigeria. The purpose of the study was to examine the relationship between Human Resource Management Practices (HRMPs) and Corporate Entrepreneurship (CE). Seven research questions guided

the study. Seven hypotheses were tested at 0.05 level of significance. The study adopted a survey research design. The population of the study comprised 10, 947 middle-level managers in the civil and banking services sub-sectors of Ogun and Lagos States, Nigeria. Taro Yamane's formula was used to determine the sample size of 939 respondents. Multi-stage sampling techniques were used to select the sample size. A structured questionnaire was used to generate data. The questionnaire which was partly developed and partly adapted was validated with Cronbach's Alpha test for the constructs of the variables yielding between 0.761 and 0.896, respectively. Descriptive, correlation and regression statistical techniques were used to analyze the data collected. The findings revealed that there was a significant positive relationship between recruitment and selection and CE; training and development had a significant positive effect on CE; performance appraisal was significantly and positively related to CE; job design had a positive and significant effect on CE; compensation practices had a significant and strong positive relationship with CE, and industrial relations had a positive influence on CE. It was concluded that HRMPs are alternative tools of promoting entrepreneurship. It was therefore recommended that organizations and human resource management professionals should focus on, develop and apply the skills to use HRMPs to stimulate CE.



The reviewed study is related to the present study because both focus on human resources practices in organization. However, they differ in some areas. While the reviewed study examined human resource management practices and corporate entrepreneurship in selected public and private sector institutions in Lagos and Ogun States, the present study determined human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study.

Wahid, Ishak, Yunus, Abd Aziz and Ramli (2014) carried out a study on determining the firm performance and human resource practices among SMEs in food industry in Jengka and Maran, Pahang. Two research questions guided the study. Two hypotheses were tested at 0.05 level of significance. Survey design was adopted for the study. Self-administered questionnaire was employed in this study. The target population for this study consists of 55 Small Medium Enterprises (SMEs) in the food industry in Bandar Jengka and Maran, Pahang. A structured question was used for data collection. The Cronbach's Alpha Method was used to establish the internal consistency of the instrument and the values obtained were 0.658 and 0.756. The two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test have been used to test normality for each variable. The findings reveal that a weak relationship between HR practices and firm performance. As predicted, from previous studies the use of HR practices is

relatively fewer in a smaller firm and they're using an informal approach in managing their human resources. This research presumes that SMEs yet not properly implemented HR practices in their firm effectively. However, it was concluded that further research might include additional factors of HR practices and using another variable for firm performance.

Wahid, Ishak, Yunus, Abd Aziz and Ramli's study is related to the present study because both focus on human resource practices among SMEs. However, the two studies differ in geographical location and method of data analysis. While Wahid, Ishak, Yunus, Abd Aziz and Ramli's study focused on determining the firm performance and human resource practices among SMEs in food industry in Jengka and Maran, Pahang, the present study determined human resource management practices of managers of small and medium scale enterprises in Anambra State, Nigeria.

Appah, Tebepah and Soreh (2012) examined human resource development on the performance of public sector accountants' in Nigeria. Four research questions guided the study. Survey research design was adopted for the study. To achieve the objective of the study, primary and secondary data were used. A sample size of 119 public sector accountants in Bayelsa State was used for the study. The Cronbach's alpha method was used to verify the reliability of the instrument. The Cronbach' alpha for the variables were 0.75, 0.84, 0.83, 0.75 and

0.89. The data obtained were analyzed with econometric models of multiple regression, granger causality test and diagnostic test. The study found that job training, performance appraisal, career planning and reward employee welfare were positively related to productivity of public sector accountants' in Nigeria. The study therefore recommended amongst others that public sector organizations should pursue a strategic and purposive human resource development practices that will improve the quality of human resource in their respective organizations.

The reviewed study is related to the present study because they both focus on human resources in the organization. However, they differ in some areas. While the reviewed study examined human resource development on the performance of public sector accountants' in Nigeria, the present study determined human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study. The reviewed study was carried out in Bayelsa State, while the present study was carried out in Anambra State.

Hassan (2016) determined the impact of human resource management practices on employee performance in Pakistan. Three research questions guided the study. The study adopted the descriptive correlational research design. The population of the study comprised 68 employees of two textile industries in Pakistan. Questionnaire designed on a 5-point Likert scales was used to collect data from the employees working in different departments of textile sector. A

Pearson correlation and regression was conducted to determine the association between HRM practices and employee's performance. Findings revealed that the organization did not effectively adopted HRM practices. The results indicated that HRM practices-compensation, career planning, performance appraisal, training and employee involvement had positive impact on employees' performance.

The reviewed study is related to the present study because they both focus on human resources in the organization. However, they differ in some areas. While the reviewed study determined the impact of human resource management practices on employee performance in Pakistan, the present study determined human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study. The reviewed study was carried out in Pakistan, while the present study was carried out in Anambra State, Nigeria.

### **SMEs Employee Compensation Practices**

Ugoani (2017) carried out a study on executive compensation management and productivity among small and medium enterprises in Nigeria. Two research questions guided the study. The exploratory research design was used for the study. The population of the study comprised of 80 SMEs managers. Data were generated from both primary and secondary sources, such as interviews, books, journals, newspapers, among others. Data were analyzed using the descriptive

statistical methods: frequencies and percentages and Pearson correlation coefficient. The findings of the study revealed that executive compensation management such as basic pay, incentives, profit sharing, wage and salary adjustments, employee share option, long term compensation, equity pay and benefits correlates positively with productivity among SMEs in Nigeria. It was recommended among others that employers should understand the characteristics of an individual employee. This will help in determining the requisite compensation that can motivate one toward high productivity.

Ugoani's study is related to the present study because both focus on employee compensation practices among SMEs in Nigeria. However, the two studies differ in research design and method of data analysis. While Ugoani's study focused on executive compensation management and productivity among small and medium enterprises in Nigeria, the present study focused on human resource practices of managers of SMEs in Anambra State, Nigeria.

Nongmaithem and Biniam (2016) examined the impact of human resource management (HRM) practices on organizational performance. Four Research questions guided the study. Six hypotheses were tested at 0.05 level of significance. Correlational research design was adopted for the study. A total of 169 employees from Debre Brehan University, Ethiopia comprising both academicians and support staff responded to the survey. The survey questionnaire

had 58 items covering selected HRM practices and university performance. Cronbach Alpha reliability was used to determine the internal consistency of the instrument and values obtained were 0.70, 0.81, 0.86, 0.92, 0.89 and 0.87. Pearson correlational statistics was used to analyze data collected for the study. The study found that human resource practices: recruitment and selection, training and development, performance appraisal and compensation had a significant relationship with university performance. The study recommended that if the university was to increase its performance to higher levels, it should emphasize more on compensation, recruitment and selection. Some improvement needed to be done on the other performance appraisal and training and development in order to increase their effectiveness on the university performance.

The relationship between the study of Nongmaithem and Biniam and the present study is that they both focus on human resources management practices. However, while Nongmaithem and Biniam examined the impact of human resource management (HRM) practices on organizational performance, the present will determine human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study. The reviewed study was carried out in Ethiopia, while the present study was carried out in Anambra State, Nigeria. Pearson correlational statistics was used to analyze data

collected in the reviewed study, while mean and t-test and ANOVA were used to analyze data collected in the present study.

Asma, Sajjad, Qasim and Umair (2014) explored the relationship among rewards, recognition and job satisfaction in employees of libraries in Lahore, Pakistan. Two hypotheses guided the study. The population comprised 120 employees in libraries from 12 different libraries in Lahore, Pakistan. A structured questionnaire was used to collect data for the study. Pearson Product moment Correlation Statistics was used to test the hypotheses. The results indicated that rewards and recognition were positively related with employees' job satisfaction. Positive correlation existed between reward, recognition and employees job satisfaction.

The study of Asma et al is related to the present study because they both focus on job performance and reward system on performance. They also utilized questionnaire as instrument for data collection. However, they differ in some aspect. While Asma et al explored the relationship among rewards, recognition and job satisfaction in employees of libraries in Lahore, Pakistan, the present study determined human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study. The reviewed study was carried out in Lahore, Pakistan, while the present study was carried out in Anambra State, Nigeria.

Peter and Damary (2013) determined the influence of rewards and recognition on productivity levels among extension officers in the ministry of Agriculture in Kenya. Three research questions guided the study. Descriptive survey design was adopted for the study. There were a total of 45 extension officers in Bahari District, which had just been annexed from Kilifi District. Given the number of officers, a census was done, where all the officers were given questionnaire, followed by a focus group discussion for triangulation purposes. This is because it was only through a census that more comprehensive and accurate information could be gotten. The data collected were analyzed for any causal-effect relationships, correlations and variances, by use of the statistical package for social sciences (SPSS), and the results presented in pie charts and tables to give a picture of the research findings at a glance.

The findings of the study revealed that the employees in the ministry of agriculture were not satisfied with the rewards and levels of recognition for the jobs they do, with the overall feeling being that they were neither rewarded nor recognized for their work. Low compensation levels were cited as a major source of poor motivation among the employees. The study thus recommended that the Ministry of Agriculture considered improving its rewards and recognition programme for its extension officers for increased productivity and that the ministry should effect professionalism and equity in staff promotions, improve



holistic facilitation of field staff, and improve on the general staff motivation strategies (revise allowances and other benefits).

The relationship between the study of Peter and Damary and the present study is that they both focus on the influence of employee reward and recognition on employee performance. However, while Peter and Damary determined the influence of rewards and recognition on productivity levels among extension officers in the Ministry of Agriculture, the present study will determine human resource management practices of managers of small and medium scale enterprises. They also differ in terms of area of study. The reviewed study was carried out in Kenya, while the present study was carried out in Anambra State, Nigeria.

Mohamed, Omar and Ibrahim (2013) conducted a study on the relationship between employee satisfaction and customer retention in Mogadishu-Somalia companies. Two research questions guided the study and two hypotheses were tested at 0.05 level of significant. The study employed the use of both descriptive and correlation research design to establish the nature of the relationships. The target population was 200 managers categorized into three categories such as high-level managers, middle level managers and low-level managers. A sample size of 133 respondents was used to test the relationship. Questionnaire was used for data

collection. To analyze the data, the spearman correlation statistical tool was used with the aim of establishing the relationship between above mentioned variables.

The findings revealed that there is a statistically significant positive relationship between employee satisfaction and customer retention which indicates that increase in employee's satisfaction leads to higher customer retention. On the basis of the findings, the researchers concluded that telecommunication companies should provide good employee satisfaction that will improve performance of employee. Finally, telecommunication companies should not supposed only think about resource or money but take into account that there are other factors that can effects their employee satisfaction.

Mohamed, Omar and Ibrahim's study is related to the present study because both focused on employee compensation practices in organization. However the two studies differed in location and method of data analysis. While Mohamed, Omar and Ibrahim's study focused on the relationship between employee satisfaction and customer retention in Mogadishu-Somalia companies, the present study focused on human resource management practices of managers of small and medium scale enterprises in Anambra State, Nigeria.

### **SMEs Employee Relations Practices**

Awe, Shabi and Tugbobo (2016) conducted a study on employees' relations strategies and competitiveness of selected SMEs in Lagos State. Four null

hypotheses were tested. The study adopted a survey research design; 65 selected SMEs across the economic sectors in Alaba market, Ikorodu and Ikeja market in Lagos State. A random sampling technique was used to select 250 respondents across the business owners, supervisor, managers and employee categories. The instruments for data collection were the questionnaire and interview schedule. Descriptive statistics such as simple percentage, and frequency tables were used in the presentation and analysis of data while the relevant hypotheses were tested using Pearson correlation coefficients by the application of SPSS. The findings revealed that there is a significant relationship between employee relations strategies and the various dimensions of productivity, innovation and competitiveness of SMEs. The research recommended that the institutionalization and effective implementation of employee relations strategies that strongly vocationally technically involved and engaged entrepreneurs and employees of SMEs have important role to play in productivity, innovations, performance, growth and competitiveness of SMEs sector.

The reviewed study and the present study are related because they both focus on employee relations practices of SMEs. They are both related in the sense that they both used questionnaire as instrument for data collection. They however differ in some aspects such as area of the study and method of data analysis. While Awe, Shabi and Tugbobo's study focused on employees' relations strategies and

competitiveness of selected SMEs in Lagos State, the present study focused on determining human resource management practices of managers of small and medium scale enterprises in Anambra State.

Saira (2016) determined the impact of HRM practices on employees' performance in the Textile industry of Pakistan. Random sampling technique was used to select sample for the study. Survey design was used in the study. A questionnaire containing 34 items was distributed among 68 employees of textile industry for data collection. To check the association between HRM practices and employees' performance, Pearson correlation statistical technique and regression analysis were applied on the data collected. The results indicated that HRM practices compensation, career planning, performance appraisal, training, and employee involvement had positive impact on employees' performance. Based on these findings, it was recommended that the management of SMEs should value the contribution and ideas shared by employees and empower employees to maximize their individual talents in order to make effective decisions.

The reviewed study and the present study are related because they both focus on employee relations practices of SMEs. They are both related in the sense that they both use questionnaire as instrument for data collection. They however differ in some aspects. While Saira (2016) determined the impact of HRM practices on employees' performance in the textile industry, the present study

determined human resource management practices of managers of small and medium scale enterprises. Furthermore, Saira's study was carried out in Pakistan, while the present study was carried out in Anambra State, Nigeria. Pearson correlation statistics and simple regression analysis were used to analyze data collected in the reviewed study, while mean and t-test were used to analyze the data collected.

Ojokuku (2014) examined the effect of employee participation in decision making on the performance of selected SMEs in Lagos, South Western Nigeria. One hypothesis guided the study. Data were sourced from 129 employees and 27 owner/managers of the randomly selected SMEs with the aid of questionnaire. The data generated were statistically analyzed using descriptive and inferential statistical tools. Specifically, Product-Moment Correlation Coefficient and Simple Regression Analysis were used. The Product-Moment Correlation Coefficient was used to examine the existence of relationship between employee involvement in decision making and organizational performance while regression analysis was used to ascertain the amount of variations in the organizational performance which can be associated with changes in the degree of employment involvement in decision making.

Results showed that overall, employee participation in decision making had significant positive impact on organizational performance in the SMEs, with ( $\beta =$

0.597,  $t = 6.572$ ,  $P < .01$ ). The implication of this finding is that Nigerian SMEs should pay attention to human resource management practices which, they have hitherto, largely ignored, in the course of running their businesses. Increasing employee participation in decision making will impact positively on their growth and potential for survival.

The reviewed study and the present study are related because they both focus on employee relations practices of SMEs. They are both related in the sense that they both used questionnaire as instrument for data collection. They however differ in some aspects. While Ojokuku (2014) examined the effect of employee participation in decision making on the performance of selected SMEs, the present study determined human resource management practices of managers of small and medium scale enterprises. Furthermore, Ojokuku's study was carried out in Lagos, Nigeria while, the present study was carried out in Anambra State, Nigeria. Similarly, Product-Moment Correlation Coefficient and Simple Regression Analysis were used to analyze data collected in the reviewed study, while mean and t-test were used to analyze the data to be collected in the present study.

Mendes (2012) carried out a study on employees' involvement and quality improvement in manufacturing small and medium enterprise: A comparative analysis. Two research questions guided the study and two hypotheses were tested at 0.05 level of significance. Descriptive survey research design was adopted for

the study. Population of the study comprised 600 Portuguese SME, selected using a simple random sampling method. Empirical data was collected using questionnaires. The questionnaire was pre-tested and validated with the help of a panel of two academics/researchers on quality management issues and two quality managers in SME.

In accordance with research purposes, univariate analyses were performed on issues strictly descriptive, while bivariate analysis tools were used on issues based on means comparison (Student's t-test and Chi-square test). The results suggest clear concerns from SME in raising employees' awareness about the importance of quality improvement issues, and fostering employees' involvement in quality improvement programs. Furthermore, regarding quality improvement, differences in attitude towards HRM initiatives, in general, and training, in particular, is attributed to organizational size.

Mendes's study is related to the present study because both focus on employees' relation practices in SMEs. However, both studies differed in geographical location and method of data analysis. While Mendes's study focused on employees' involvement and quality improvement in manufacturing small and medium enterprise: A comparative analysis, the present study determined human resource management practices of managers of small and medium scale enterprises in Anambra State.

## **Summary of Review of Related Literatures**

The review of literature related to this study was done under five broad headings, namely: conceptual framework, theoretical framework, theoretical studies, review of empirical studies and summary of review of related literature. The conceptual framework reviewed concepts like managers, human resource management and small and medium scale enterprises. The theoretical framework of the study was based on Taylor's scientific management theory and Bertalanffy's systems theory. The theories helped to provide a theoretical understanding on the influence of human resource management practices on employee performance and the need to provide a working environment that is cordial and rewarding so as to enhance business performance. Also, the systems theory guides SME managers in developing, selecting and organizing human resource management practices that suit their business environments so as to improve employee performance and business profitability.

The theoretical studies revealed that some authors believe that human resource management practices like resource practices, employee development and training, compensation and employee relations have significant impact on organizational performance. However, few authors noted that due to the unique nature of human beings, not every employee can be motivated by a particular HRM practice. These authors were of the opinion that what positively influenced



the performance of one employee can negatively influence the performance of another.

Most of the studies reviewed were conducted to determine or investigate the effect, impact or relationship between human resource management and employee or organizational performance. However, none of the reviewed studies determined human resource management practices of small and medium scale enterprises' managers in Anambra State. This created a gap in the body of knowledge which this study filled.

## **CHAPTER THREE**

### **METHOD**

This chapter describes the procedure that was adopted in carrying out the study. It covers research design, area of the study, population of the study, sampling and sampling technique, instrument for data collection, validation of the instrument, reliability of the instrument, method of data collection and method of data analysis.

#### **Research Design**

The design that was adopted in this study is a descriptive survey. According to Nworgu (2015), descriptive survey is a design which aims at collecting data on, and describing in a systematic manner, the characteristics, features or facts about a given population. This design was considered appropriate for this study since the researcher used questionnaire to collect data from a specified sample of small and medium scale enterprises managers in Anambra State on their human resource management practices. Oroka (2013) used the descriptive survey design to determine working capital management practices required by Small and Medium Scale Enterprises (SMEs) for effective operations in Delta State, Nigeria and the study was successful.

## **Area of the Study**

The study was carried out in Anambra State of Nigeria. Anambra State, commonly referred to as the ‘Light of the Nation,’ was created on August 27, 1991. It was a significant part of the old Anambra State created in 1976 when East Central State was broken into Anambra and Imo States. The State derives its name from the Anambra (Omambala) River, the largest most southerly left bank tributary of the River Niger. Anambra State is situated on generally low elevation on the eastern side of the River Niger. It shares boundaries with Abia, Delta, Enugu, Imo and Kogi States with a total land area of 4,416 square kilometres.

The State has 21 local government areas grouped into three senatorial zones namely: Anambra central, Anambra north and Anambra south. The State capital is Awka. The people of the State are predominantly small and medium scale business operators because of the favourable economic climate in terms of large markets, natural resources, access to capital and abundant skilled labour force. Anambra State is the center of Nigeria’s metal work and carving industries. Educationally, Anambra is a center of excellence. The choice of the area was informed by the State’s high quest for enterprises.

## **Population of the Study**

The population of the study comprised 2,610 SME managers (1,732 small scale and 878 medium scale) of enterprises in Anambra State who are registered

with the State Ministry of Commerce, Industry and Technology (2018) (see Appendix A on page 143). The population of the study is distributed according to the size of business.

### **Sample and Sampling Technique**

The sample size of 347 SME managers (230 small scale managers and 117 medium scale managers) was used for the study. The sample size was derived using the Taro Yamani formula. Applying the Taro Yamane formula,  $n = \frac{N}{1+N(e)^2}$

$n$  = sample size,  $N$  = population,  $e$  = error limit

Therefore,  $n = \frac{2610}{1+2610(0.05)^2}$

$n = 2610/7.525$

$n = 346.84$

$n = 347$

Based on the above calculation, a sample size of 347 with error limit of 5 percent was considered appropriate for this study. The sample distribution is represented as Appendix B page 144

### **Instrument for Data Collection**

Instrument for data collection in this study was a structured questionnaire titled “Questionnaire on Human Resource Management Practices of Small and Medium Scale Enterprises (QHRMPSME)”. The instrument has two main sections-

A and B. Section A contains two items on respondents' background information covering size of business and years of experience. Section B contains a total of 46 items arranged in four clusters of B1, B2, B3 and B4 according to the four research questions guiding the study. Cluster B1 contains 13 items on resourcing practices; Cluster B2 contains 10 items eliciting information on development practices; Cluster B3 contains 14 items on employee compensation practices and Cluster B4 contains nine items on employee relation practices respectively on a 5- point rating scale of Strongly Agree (SA), Agree (A), Moderately Agree (MA), Disagree (D) and Strongly Disagree (SD) (Appendix D on page 146).

### **Validation of the Instrument**

The instrument designed for this study was subjected to face validation by three experts. The title of the study, purpose of the study, research questions, hypotheses and the instrument were given to three experts who handled the validation. One of the validates was in Department of Measurement and Evaluation and two were in Department of Technology and Vocational Education from the Faculty of Education, in Nnamdi Azikiwe University, Awka. They were asked to check whether or not the items in the instrument were properly stated, adequate, and suitable for eliciting the desired responses. For instance, the items in cluster B1 were reduced from 14 to 13. Similarly, the rating measure was changed from Very Great Extent, Great Extent, Moderate Extent, Low Extent and Very Low

Extent to Strongly Agree (SA), Agree (A), Moderately Agree (MA), Disagree (D) and Strongly Disagree (SD). The instrument was thereafter amended to reflect the suggestions of the validators.

### **Reliability of the Instrument**

To establish the instrument's reliability, the questionnaire was administered on a sample of 20 small and medium scale entrepreneurs in Enugu State who are not included in the population of the study. The application of Cronbach Alpha reliability method on the four clusters of the instrument yielded coefficient values of 0.85, 0.82, 0.77 and 0.76 for clusters B1 to B4 respectively. An overall reliability co-efficient value of 0.80 was obtained for the instrument which shows that the instrument has a high internal consistency and is therefore considered suitable for the study. This is in line with Nworgu (2015) who stated that research instruments with reliability co-efficient of 0.70 and above are deemed reliable. The computation is attached as Appendix E page 151.

### **Method of Data Collection**

Data was collected with the aid of six research assistants who were briefed by the researcher on the following issues: (a) the purpose of the research (b) the response pattern and (c) the subject of the study. The use of research assistants was necessitated by the geographical spread of SMEs in the State. The research assistants were used in order to ensure quick distribution and retrieval of the copies

of the questionnaire. Copies of the questionnaire were administered to the SMEs managers on face-to-face delivery to avoid loss of questionnaire by some respondents. A period of two weeks was used for the distribution and collection of the questionnaire. Out of the 347 copies of the questionnaire administered, a total of 298 (85.88 percent) were returned and used for the study. All together, forty nine copies of the questionnaire were not utilized for data analysis.

### **Method of Data Analysis**

The data collected from the respondents were analyzed using descriptive statistics such as mean and standard deviation. The mean value was used to analyze data related to the research questions while the standard deviation was used to ascertain the homogeneity or otherwise of the respondents' ratings. Decision rule was based on the real limits of numbers on a 5-point rating scale as shown below:

<b>Response option</b>	<b>Values</b>	<b>Real Limit</b>
Strongly Agree	5	4.50-5.00
Agree	4	3.50-4.49
Moderately Agree	3	2.50-3.49
Disagree	2	1.50-2.49
Strongly Disagree	1	0.50 - 1.49

For the hypotheses, t-test and one way analysis of variance (ANOVA) were used to test the eight null hypotheses at 0.05 level of significance. P-value was used for decision making for the hypotheses. Where the calculated p-value is less than or equal to the stipulated level of significance 0.05 ( $p \leq 0.05$ ), it implies that there was significant difference between respondents' mean scores. Under this condition, the null hypothesis of no significant difference is not accepted. On the other hand, if the p-value is greater than or equal to the alpha level of 0.05 ( $p \geq 0.05$ ), the null hypothesis of no significant difference is not rejected. Statistical Package for Social Sciences (SPSS) version 23 was used to analyze the data.



## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF DATA

This chapter presents the data and the statistical analysis of the study. Data collected with respect to the four research questions and eight null hypotheses were analyzed and presented in Tables 1-13.

#### Research Question 1

What are the resourcing practices of managers of small and medium scale enterprises in Anambra State?

Analysis of data relating to this research question is presented in Table 1

**Table 1**

#### **Mean responses of Managers on the resourcing practices in SMEs N= 298**

S/No	Items on Resource practices	Mean	SD	Decision
1.	Ensure that relevant information about the organization is made available to applicants at the time of recruitment	4.35	0.53	Agreed
2.	Ensure that relevant information about the job is made available to applicants at the time of recruitment	4.06	0.67	Agreed
3.	Ensure that the nature of the job is specified during recruitment interview.	4.45	0.56	Agreed
4.	Ensure that pay for the job is commensurate to the level of employee qualification	3.29	0.48	Moderately agreed
5.	Specify the requirements for the job to the employees.	4.32	0.47	Agreed
6.	Ensure that the appraisal system for the job is known to employees.	4.33	0.47	Agreed
7.	Place the right persons on the right job	3.30	0.46	Moderately agreed
8.	Use a formal policy for recruitment of employees	3.41	0.49	Moderately agreed

**Table 1 continues**

9. Ensure that job vacancies are made open to the public	3.61	0.65	Agreed
10. Ensure that existing employees are considered when there are vacancies for higher positions	3.93	0.68	Agreed
11. Involve heads of units in the recruitment process	4.08	0.67	Agreed
12. Use suitable media to advertise vacancies	3.99	0.71	Agreed
13. Ensure that the recruitment process is fair to all prospective employees.	4.38	0.61	Agreed
<b>Cluster Mean</b>	<b>3.96</b>		<b>Agreed</b>

Data in Table 1 show a cluster mean of 3.96 indicating that the managers agreed on the resourcing practices applied in small and medium scale enterprises in Anambra State. Item by item analysis in Table 1 shows that items 1, 2, 3, 5, 6, 9, 10, 11, 12 and 13 with mean scores ranging from 3.61 to 4.45 are the resourcing practices agreed to by managers of SMEs, while items 4, 7 and 8 with mean scores ranging from 3.29 to 3.41 are the resourcing practices moderately agreed to by managers of SMEs. The standard deviations of 0.46 to 0.68 showed homogeneity in SMEs managers' responses indicating greater consensus of opinion.

## **Research Question 2**

What are the employee development and training practices of managers of small and medium scale enterprises in Anambra State?

Analysis of data relating to this research question is presented in Table 2

**Table 2**

**Mean responses of Managers on the employee development and training practices in SMEs.**  
**N = 298**

<b>S/No Employee development</b>	<b>Mean</b>	<b>SD</b>	<b>Decision</b>
14. Consistently assessing training needs of employees	4.07	0.67	Agreed
15. Recommend personnel for training based on merit	3.80	0.67	Agreed
16. Seek out opportunities for employees development	3.74	0.65	Agreed
17. Ensure that employees appreciate their need for further training	3.37	0.50	Moderately agreed
18. Ensure that contents of the training programmes are relevant to the functions of the employees sponsored for training	4.11	0.67	Agreed
19. Sponsor employees to training to develop their skills	3.34	0.73	Moderately agreed
20. Encourage employees to attend workshops on business skills development	3.71	0.67	Agreed
21. Encourage employees to pursue higher degree programmes	3.06	0.68	Moderately agreed
22. Sponsor employees to local and foreign conferences to enhance their performance	4.34	0.58	Agreed
23. Invite experts to train employees on the job.	3.31	0.58	Moderately agreed
<b>Cluster Mean</b>	<b>3.67</b>		<b>Agreed</b>

Data in Table 2 show a cluster mean of 3.67 which reveals that the managers agreed on the employee development and training practices applied in small and medium scale enterprises in Anambra State. Item by item analysis in Table 2 shows that items 14, 15, 16, 18, 20 and 22 with mean scores ranging from 3.71 to 4.11 are the employee development practices agreed to by managers of SMEs, while items 17, 19, 21 and 23 with mean scores ranging from 3.06 to 3.37 are the employee development practices moderately agreed to by managers of SMEs. The

standard deviations of 0.50 to 0.73 are within the same range showing homogeneity in SME managers' responses.

### Research Question 3

What are the employee compensation practices of managers of small and medium scale enterprises in Anambra State?

**Table 3**

**Mean responses of Managers on the employee compensation practices adopted in SMEs. N = 298**

<b>S/No Employee compensation</b>	<b>Mean</b>	<b>SD</b>	<b>Decision</b>
24. Regularly paying staff salaries	3.31	0.46	Moderately agreed
25. Appreciate outstanding performance of employees with bonuses.	4.01	0.67	Agreed
26. Recognize employees' input and commending them openly during staff meetings.	4.05	0.67	Agreed
27. Promote deserving staff as at when due	4.15	0.68	Agreed
28. Provide staff quarters at reduced cost	3.24	0.60	Moderately agreed
29. Reward staff by paying their vacation expenses	3.30	0.46	Moderately agreed
30. Ensure that all decisions affecting employee compensation are managed centrally not departmentally	3.54	0.60	Agreed
31. Ensure that employee pay structure is balanced and fair	3.30	0.46	Moderately agreed
32. Ensure that employees with high responsibility get better pay.	3.22	0.42	Moderately agreed
33. Give awards to employees for punctuality.	4.03	0.69	Agreed
34. Pay employees for over time	3.35	0.49	Moderately agreed
35. Provide adequate vacation for employees based on their rank	3.22	0.41	Moderately agreed
36. Provide car loan and transport allowance for employees	4.01	0.68	Agreed
37. Provide medical services for employees and their families	3.32	0.49	Moderately agreed
<b>Cluster Mean</b>	<b>3.58</b>		<b>Agreed</b>

Analysis in Table 3 shows a cluster mean of 3.58 which indicates that the managers agreed on the employee compensation practices applied in small and medium scale enterprises in Anambra State. Item by item analysis in Table 3 shows that items 25, 26, 27, 30, 33 and 36 with mean scores ranging from 3.54 to 4.15 are the employee compensation practices agreed to by managers of SMEs, while items 24, 28, 29, 31, 32, 34, 35 and 37 with mean scores ranging from 3.22 to 3.35 are the employee compensation practices moderately agreed to by managers of SMEs. The standard deviations of 0.41 to 0.69 are within the same range showing that SME managers' are not wide apart in their responses.

#### **Research Question 4**

What are the employee relation practices of managers of small and medium scale enterprises in Anambra State?

Analysis of data relating to this research question is presented in Table 4

**Table 4**

**Mean responses of Managers on the employee relation practices adopted in SMEs.**  
**N = 298**

<b>S/No Employee Relations</b>	<b>Mean</b>	<b>SD</b>	<b>Decision</b>
38. Involve employees in the decision making process of the business.	3.40	.68	Moderately agreed
39. Maintain an inclusive communication network in the enterprise where employees are made aware of decisions concerning them.	4.51	.50	Strongly agreed
40. Encourage cordial relations among employees.	4.53	.50	Strongly agreed
41. Encourage team work among employees.	3.81	.65	Agreed
42. Organize social events such as end of the year party for employees	4.53	.50	Strongly agreed
43. Acknowledge the input of experienced employees when making decisions.	4.48	.55	Agreed
44. Show concern about issues that affect employees.	3.93	.69	Agreed
45. Respect employees' opinions in their areas of operations	3.84	.69	Agreed
46. Regularly holding meetings where grievances' are shared and resolved.	3.83	.69	Agreed
<b>Cluster Mean</b>	<b>4.10</b>		<b>Agreed</b>

Data analysis in Table 4 shows a cluster mean of 4.10 which indicates that the managers agreed on the employee relation practices applied in small and medium scale enterprises in Anambra State. Item by item analysis shows that items 39, 40 and 42 with mean scores ranging from 4.51 to 4.13 are the employee relation practices strongly agreed to by managers of SMEs, while items 41, 43, 44, 45 and 46 with mean scores ranging from 3.83 to 4.48 are the employee relation practices agreed to by managers of SMEs. Only item 38 with mean score of 3.40 is

the employee relation practices moderately agreed to by SME managers'. The standard deviations of 0.50 to 0.69 are within the same range showing that SME managers' are not wide apart in their responses.

### Hypothesis 1

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises.

**Table 5**

**Summary of t-test result on the resourcing practices of managers of small and medium enterprises in Anambra State. N = 298**

Resourcing practices	N	$\bar{X}$	SD	df	P-value	Decision
Small	202	3.96	0.16	296	.275	Not significant
Medium	96	3.97	0.17			

Data in Table 5 show that there is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises. This is shown by the p-value of 0.275, which is greater than the significant level of 0.05. This shows that there is no significance difference in the mean responses of SMEs managers. Therefore, the null hypothesis of no significant difference between the two groups is accepted.

## Hypothesis 2

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises based on years of experience.

**Table 6**

**Summary of analysis of variance on the mean responses of SME's managers on the resourcing practices adopted based on years of experience N= 298**

Sources of variance	Sum of Squares	df	Mean Square	F	P-value	Decision
Between Groups	41.574	2	20.787	4.759	.01	Significant
Within Groups	1290.822	295	4.394			
Total	1332.396	297				

As shown in Table 6, there is a significant difference among the three groups in terms of their mean responses on the resourcing practices they adopt in their enterprises based on years of experience (5 years and below, 6 -10 years and above 10 years), as the F-ratio (2, 295) is 4.759 and *P-value* (.01) is less than the stipulated 0.05 level of significance. Therefore, the null hypothesis is rejected.



**Table 7****Scheffe post hoc test on mean responses of SME's managers on the resourcing practices adopted based on years of experience**

(I)Type of tertiary institution	(J)Type of tertiary institution	Mean difference(I-J)	P-value
5 years and below	above 5-10 years	.06591	.043
	Above 10 years	.00924	.935
6-10 years	5 years and below	-.06591	.043
	10 years and above	-.05666	.027
Above 10 years	5 years and below	-.00924	.935
	6-10 years	.05666	.027

\*significant

The Scheffe test of multiple comparisons in Table 7 shows that the difference is between managers with 5years and below and above 10 years experience in small and medium enterprises in Anambra State.

**Hypothesis 3**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development and training practices they adopt in their enterprises.

**Table 8**

**Summary of t-test result on the employee development and training practices of managers of small and medium enterprises in Anambra State. N = 298**

Employee development	N	$\bar{X}$	SD	df	P-value	Decision
Small	202	3.68	0.19	296	.221	Not significant
Medium	96	3.69	0.21			

Data in Table 8 show that there is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development and training practices they adopt in their enterprises. This is shown by the p-value of .221, which is greater than the significant level of 0.05. This shows that there is no significance difference in the mean responses of SMEs managers. Therefore, the null hypothesis of no significant difference between the two groups is accepted.

#### **Hypothesis 4**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development and training practices they adopt in their enterprises based on years of experience.

**Table 9**

**Summary of analysis of variance on the mean responses of SME's managers on the employee development and training practices adopted based on years of experience** **N = 298**

Source of variance	Sum of Squares	df	Mean Square	F	P-value	Decision
Between Groups	1.9	2	1	.247	.782	Not significant
Within Groups	1162.3	295	3.9			
Total	1164.3	297				

Data analysis in Table 9 show that there is no significant difference among the three groups in terms of their mean responses on the employee development practices they adopt in their enterprises based on years of experience (5 years and below, 6 -10 years and above 10 years), as the F-ratio (2, 295) is .247 and *P-value* (.782) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is not rejected.

### **Hypothesis 5**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises.

**Table 10**

**Summary of t-test result on the employee compensation practices of managers of small and medium enterprises in Anambra State. N = 298**

Employee compensation	N	$\bar{X}$	SD	df	P-value	Decision
Small	202	3.58	0.14	296	.352	Not significant
Medium	96	3.56	0.14			

Data in Table 10 show that there is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises. This is shown by the p-value of .352, which is greater than the significant level of 0.05. This shows that there is no significance difference in the mean responses of SMEs managers. Therefore, the null hypothesis is accepted.

### **Hypothesis 6**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises based on years of experience.

**Table 11**

**Summary of analysis of variance on the mean responses of SME's managers on the employee compensation practices adopted based on years of experience**

N = 298

Source of variance	Sum of Squares	df	Mean Square	F	P-value	Decision
Between Groups	3.724	2	1.96	.492	.612	Not significant
Within Groups	1130.332	295	3.92			
Total	1134.056	297				

As shown in Table 11, there is no significant difference among the three groups in terms of their mean responses on the employee compensation practices they adopt in their enterprises based on years of experience (5 years and below, 6 - 10 years and above 10 years), as the F-ratio (2, 295) is .492 and *P-value* (.612) is greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis is accepted.

### **Hypothesis 7**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relations practices they adopt in their enterprises.

**Table 12**

**Summary of t-test result on the employee relation practices of managers of small and medium enterprises in Anambra State. N = 298**

Employee relations	N	$\bar{X}$	SD	df	P-value	Decision
<b>Small</b>	202	4.16	0.23			
				296	.826	Not significant
<b>Medium</b>	96	4.16	0.24			

Result in Table 12 shows that there is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relation practices they adopt in their enterprises. This is shown by the p-value of .826, which is greater than the significant level of 0.05. This shows that there is no significance difference in the mean responses of SMEs managers. Therefore, the null hypothesis of no significant difference between the two groups is accepted.

### **Hypothesis 8**

There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relations practices they adopt in their enterprises based on years of experience.

**Table 13**

**Summary of analysis of variance on the mean responses of SME's managers on the employee relation practices adopted based on years of experience**  
N = 298

Source of variance	Sum of Squares	df	Mean Square	F	P-value	Decision
Between Groups	9.477	2	4.779	1.072	.344	Not significant
Within Groups	1308.474	295	4.455			
Total	1318.032	297				

Data analysis presented in Table 13 shows that there is no significant difference among the three groups in terms of their mean responses on the employee relation practices they adopt in their enterprises based on years of experience (5 years and below, 6 -10 years and above 10 years), as the F-ratio (2, 295) is 1.072 and *P-value* (.344) is greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis is accepted.

### **Summary of Findings**

Findings of the study are summarized as follows:

1. Managers agreed that resourcing practices were adopted by small and medium scale enterprises in Anambra State. Only three items were moderately agreed by managers of SMEs.

2. Managers agreed that employee development and training practices were adopted by small and medium scale enterprises in Anambra State. Only four items were moderately agreed by managers of SMEs.
3. Managers agreed that employee compensation practices were adopted by small and medium scale enterprises in Anambra State. Out of fourteen items, only eight items were moderately agreed by managers of SMEs.
4. Managers strongly agreed that employee relation practices were adopted by small and medium scale enterprises in Anambra State. Out of 9 items, five items were agreed and one item was moderately agreed by managers of SMEs.
5. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises.
6. There is a significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopt in their enterprises based on years of experience.
7. Significant difference does not exist in the mean responses of managers of small and medium enterprises in Anambra State on the employee development and training practices they adopt in their enterprises.



8. Significant difference does not exist in the mean responses of managers of small and medium enterprises in Anambra State on the employee development and training practices they adopt in their enterprises based on years of experience.
9. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises.
10. Significant difference does not exist in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopt in their enterprises based on years of experience.
11. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relation practices they adopt in their enterprises.
12. There is no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relation practices they adopt in their enterprises based on years of experience.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

This chapter discusses the findings of the study, draws conclusion and makes recommendations and suggestions for further studies.

#### **Discussion of Findings**

The findings of this study are organized and discussed based on the research questions guiding the study as well as the eight hypotheses tested. The discussions are done under the following headings:

#### **Resourcing Practices of Managers' of SMEs**

The results of the study indicated that managers agreed on the resourcing practices they adopted in their small and medium scale enterprises in Anambra State. The findings are similar with the findings of Hung, Cant and Wiid (2016) who stated that most of the respondents agree that human resource management tasks such as analyzing and classifying work; hiring and firing employees; motivating employees; developing and ensuring adherence to personnel rules are important for a business and that they need help with these HR tasks. In support of this, Ekwoaba, Ikeije and Ufoma (2015) held that resourcing or manning organization with 'right persons' and place them in their 'right positions' is the central task of HRM. Resourcing organization involves human resource planning, job analysis, recruitment, selection, socialization or orientation.

The test of the first hypothesis indicated that there was no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopted in their enterprises. This disagrees with Kanu (2015) who stated that there was a significant positive relationship between HRM practices and SMEs performance. This implies that the more SMEs engage in formal HRM practices, the more they observe higher sales and generate more employment. Also the second hypothesis revealed that years of experience influences the mean responses of managers of small and medium enterprises in Anambra State on the resourcing practices they adopted in their enterprises. This agrees with the findings of Denver, Gibson, Tonderayi and Severino (2018) who stated that owner/managers with previous work experience had significant impact on performance of SMEs.

### **Employee Development and Training Practices of Managers' of SMEs**

The results of the study revealed that managers agreed on the employee development practices adopted in small and medium scale enterprises in Anambra State. This corroborates with that of Akintunde (2017) who reported that training and development are processes that attempt to provide an employee with information, skills, and understanding of the organization and its goals. Akintunde further stated that organizations will provide the right training to the right people to create and maintain a well-trained and stable workforce. Also the findings disagree

with that of Hassan (2016) who revealed that the organization did not effectively adopted HRM practices which affect their business performance. Development of employees through training is a corner stone of continuous improvement of SME performance. Training employees increases SMEs productivity by development of employee skills, improving productivity by the use new technology and augmenting skills of staff with highly motivated teamwork.

The results of the third hypothesis indicated that there was no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee development practices they adopted in their enterprises. Also the fourth hypothesis revealed that year of experience does not influence the mean responses of managers of small and medium enterprises in Anambra State on the employee development practices they adopted in their enterprises. This disagrees with Akintunde (2017) and Hassan (2016) who reported that training and development had a significant positive effect on corporate enterprises and on employees' performance.

### **Employee Compensation Practices of Managers' of SMEs**

The results of the study indicated that managers agreed on the employee compensation practices they adopted in their small and medium scale enterprises in Anambra State. This is in consonance with that of Ugoani (2017) who noted that compensation management such as basic pay, incentives, profit sharing, wage and

salary adjustments, employee share option, long term compensation, equity pay and benefits correlates positively with productivity among SMEs in Nigeria. Managers agree with the popular notion that executive compensation is related to enterprise productivity. In line with this, Nongmaithem and Biniam (2016) and Mohamed, Omar and Ibrahim (2013) stated that compensation had a significant relationship with employees' performance. Pay dissatisfaction or inadequate compensation will cause absenteeism, excessive turn-over, job dissatisfaction, strike, poor performance and will make replacement difficult. Therefore, compensation has to be managed in a systematic and efficient manner in order to make it attractive to job seekers as well as incumbents and accommodative to future situations.

Testing of the fifth hypothesis revealed that significant difference did not exist in the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopted in their enterprises. Also the sixth hypothesis revealed that year of experience does not influence the mean responses of managers of small and medium enterprises in Anambra State on the employee compensation practices they adopted in their enterprises. Therefore, it followed that the null hypothesis of no significant difference was accepted. This disagrees with the findings of Nongmaithem and Biniam (2016) and Mohamed, Omar and Ibrahim (2013) which indicated that

employee compensation is statistically significant at their performance in the organization.

### **Employee Relation Practices of Managers' of SMEs**

The results of the study revealed that managers agreed on the employee relation practices they adopted in their small and medium scale enterprises in Anambra State. The findings of the study agrees with the findings of Saira (2016) who stated that employee involvement show a positive relationship which implies that managers of SMEs agreed that human resource practices had an impact on employees performance. Also Awe, Shabi and Tugbobo (2016) reported that managers agreed that employee relation and involvement have important role to play in. productivity, innovations, performance, growth and competitiveness of SMEs sector. Employee relation and contribution influence employee's performance positively. Empowering the employees by involving them in decision making contribute to the success of organization as it increases the productivity, saves time for decision making, lowers the gap between supervisor and subordinates, encourages a strong sense of teamwork among workers.

The results of the seventh hypothesis indicated that there was no significant difference in the mean responses of managers of small and medium enterprises in Anambra State on the employee relation practices they adopted in their enterprises. Also the eighth hypothesis revealed that there was no significant difference in the

the mean responses of managers of small and medium enterprises in Anambra State on the employee relation practices they adopted in their enterprises based on years of experience. This disagrees with the findings of Saira (2016) and Awe, Shabi and Tugbobo (2016) which indicates that all the variables are statistically significant at employee performance.

### **Conclusion**

Based on the findings of the study, it is clear that Human Resource Management (HRM) practices (resourcing, employee training and development, employee compensation and employee relations) has a positive role in increasing the employee's performance, so the managers of SMEs should implement these practices to achieve the desired goals. The organizations should utilize a variety of reward and recognition programs to drive behavior that promotes high performance. SME managers should revise their human resource policies by keeping in view the above factors in order to attain the targeted goals.

### **Implications of the Study**

Given the importance of SMEs as the principal means of achieving equitable and sustainable industrial diversification and dispersal in Anambra State, there is need for more understanding on managers' human resource practices on the performance of SMEs in the State. Findings of this study have number of

implications that may assist managers, industries, the state government, business consultants and policy makers in SMEs.

The findings of this study have created insight into the available measures by managers of SMEs. Managers of SMEs are therefore inspired to become more focused on resource planning, employee training and development, compensation, employee relations and involving employees in decision-making and its contribution to performance of the enterprise, learn about the specific problems of not involving employees in decision-making of the enterprise, understand its importance, and take a more proactive role of involving employees in decision-making to promote successful management in the day to day business activities of enterprise.

An implication for industry, competition among firms in the same industry is a common phenomenon. This study shows that competitiveness, based on the innovativeness and proactiveness of firms' workforce is possible and viable as an alternative strategy for industries. This study has highlighted how this may be achieved through human resource management practices. By this, firms wishing to be ahead of competition now have the option of using corporate entrepreneurship through human resources management practices.

Regulatory environment is an important factor that influences the growth of SMEs. SMEs require the existence of appropriate government policies and



regulations concerning her employees. Such policies include giving of preferences to employees and intellectual property protection. Indeed, government support is a critical factor in fostering SMEs and has an important role in overcoming these concerns and challenges, for government bodies or others whose task it is to support employees and promote SMEs in the economy.

The professional body for the regulation and promotion of best practices in human resource management have concentrated their contribution to entrepreneurship development in the country more specifically on vocational skill development for self employment rather than the use of their core tool (HRMP) for promoting the entrepreneurial workforce or corporate entrepreneurship which has proved to be more economic, effective and relevant to them. This study has highlighted the potential of these human resource management practices as a tool for entrepreneurship development. It also supplies material for their function as advocates of best practice in human resource management practice.

Another implication of the study hinged on lack of awareness of human resource practices on the part of the managers of the SMEs. As a result, the implication of innovation aimed at facilitating issues in the enterprise would therefore be delayed. This situation implicates prompt involvement of employees who are expected to help SMEs in the country to evaluate resources needed for its

growth in the country, offer ways to help the SMEs to understand the prerequisite for continuous existence.

Finally, the implication of the study has led to the achievement of these research objectives and has provided valuable guidelines to policy makers in implementing and accelerating adequate awareness on managers' human resource practices among the SMEs in Anambra State.

### **Recommendations**

Based on the findings of this study, the following recommendations were made:

1. Managers of SMEs' in Anambra State should embark on capacity building of members to ensure better understanding of the relevance of human resource practices on organizational growth and performance. This could be achieved by collaborative efforts with relevant educational institutions, government agencies and consultants through the organization of seminars, workshop, conferences and training programmes for both the managers and employees of the organizations.
2. Firms should fully adopt HRM practices as part of their formal strategic competitive tools. These HRM practices should consciously include variables such as, recruitment and selection, training, development,

compensation, employee relation and appraisal of employees in order to make them a key sustainable competitive tool.

3. Best practices of recruitment and selection processes must be followed to result in choosing candidates with the appropriate knowledge, skills, abilities, and personal qualities; and also eradicate the problems like nepotism and discrimination.
4. Management of SMEs should value the contribution and ideas shared by employees and empower employees to maximize their individual talents in order to make effective decisions.
5. Human resources manager should develop systems that will ensure that there is proper compensation plan entailing proper job evaluation processes and pay structures in the organization. Any changes in the plan, like salaries or process should be supported by right fundamentals like salary survey and facts on the ground.
6. Small and medium enterprise managers must put in place a systematic approach to training and development programs. Such approach should involve assessing needs, selecting training methods, and evaluating the effectiveness of such programs to ensure they are contributing to the success and growth of the enterprise.

### **Suggestions for Further Study**

Findings of the study have paved way for future research directions and investigations. The researcher suggests the following areas for further study:

1. Determination of human resource management practices of managers of small and medium enterprises in South-East, Nigeria.
2. Business education students' assessment of the needs of employees' participation in decision making of small and medium scale enterprises in Anambra State.
3. Influence of involvement of employees on the nation economic development through small and medium scale enterprises.
4. Assessment of problems and prospect of employees in an organization development.

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## Appendix A

### Population Distribution of Small and Medium Scale Managers

S/N	Senatorial Zone	No. of SMEs Managers		Total No. of SMEs Managers
		Small	Medium	
1.	Anambra Central	702	321	1023
2.	Anambra North	580	330	910
3.	Anambra South	450	227	677
	<b>Total</b>			<b>2610</b>

**Source:** Anambra State Ministry of Commerce and Industry and Technology (2018)



## Appendix B

### Sample Distribution of Small and Medium Scale Managers

S/N	Senatorial Zone	No. Of SMEs Managers		SMEs Managers using Taro Yamane		Total No. of SMEs Managers	Total No of SMEs Managers using Taro Yamane
		Small	Medium	Small	Medium		
1.	Anambra Central	702	321	93	43	1023	39.19% of 347=136
2.	Anambra North	580	330	77	44	910	34.87% of 347= 121
3.	Anambra South	450	227	60	30	677	25.94% of 347= 90
	<b>Total</b>	<b>1732</b>	<b>878</b>	<b>230</b>	<b>117</b>	<b>2610</b>	<b>347</b>

**Source:** Anambra State Ministry of Commerce and Industry and Technology (2018)

Applying the Taro Yamane formula,  $n = N/1+N(e)^2$

$n$  = sample size,  $N$  = population,  $e$  = error limit

Therefore,  $n = 2610/1+2610(0.05)^2$

$n = 2610/7.525$

$n = 346.84$

$n = 347$

Determination of percentage of total SME managers

$1023/2610 \times 100 = 39.19\%$

$910/2610 \times 100 = 34.87\%$

$677/2610 \times 100 = 25.94\%$

**Total 100%**

Determination of small and medium scale managers using Taro Yamane

$702/1023 \times 136 = 93$

$321/1023 \times 136 = 43$

$580/910 \times 121 = 77$

$330/910 \times 121 = 44$

$450/677 \times 90 = 60$

$227/677 \times 90 = 30$

**Total 347**

## Appendix C

### LETTER OF TRANSMITTAL

Department of Tech and Vocational Education,  
Faculty of Education,  
Nnamdi Azikiwe University,  
Awka.

21<sup>st</sup> May, 2018.

Dear Sir/Madam,

#### **REQUEST TO COMPLETE A QUESTIONNAIRE**

I am a post graduate student of the Department of Vocational Education, Nnamdi Azikiwe University Awka.

I am conducting a research study to Appraise Human Resource Management Practices of Small and Medium Enterprises in Anambra State. The attached questionnaire is designed for use in collecting data for the study.

As a manager, your input is considered very essential in this project. Consequently, I humbly request you to assist me by completing the questionnaire. I assure you that your response will be treated with strict confidence and used solely for the stated research purpose.

Thank you immensely for your anticipated assistance.

Yours Sincerely,

Signed

Udemba Nonyelum Felicia  
(Researcher)



**B1: Resourcing Practices of SMEs in Anambra State**

S/NO	Items on resourcing practices	SA	A	MA	D	SD
1.	Ensure that relevant information about the organization is made available to applicants at the time of recruitment					
2.	Ensure that relevant information about the job is made available to applicants at the time of recruitment					
3.	Ensure that the nature of the job is specified during recruitment interview.					
4.	Ensure that pay for the job is commensurate to the level of employee qualification					
5.	Specify the requirements for the job to the employees.					
6.	Ensure that the appraisal system for the job is known to employees.					
7.	Place the right persons on the right job					
8.	Use a formal policy for recruitment of employees					
9.	Ensure that job vacancies are made open to the public					
10.	Ensure that existing employees are considered when there are vacancies for higher positions					
11.	Involve heads of units in the recruitment process					
12.	Use suitable media to advertise vacancies					
13.	Ensure that the recruitment process is fair to all prospective employees.					

## B2: Employee Development Practices of SMEs in Anambra State

S/NO	Items on development Practices	SA	A	MA	D	SD
14.	Consistently assessing training needs of employees					
15.	Recommend personnel for training based on merit					
16.	Seek out opportunities for employees development					
17.	Ensure that employees appreciate their need for further training					
18.	Ensure that contents of the training programmes are relevant to the functions of the employees sponsored for training					
19.	Sponsor employees to training to develop their skills					
20.	Encourage employees to attend workshops on business skills development					
21.	Encourage employees to pursue higher degree programmes					
22.	Sponsor employees to local and foreign conferences to enhance their performance					
23.	Invite experts to train employees on the job.					

**B3: Employee Compensation Practices of SMEs in Anambra State**

S/NO	Items on compensation Practices	SA	A	MA	D	SD
24.	Regularly paying staff salaries					
25.	Appreciate outstanding performance of employees with bonuses.					
26.	Recognize employees' input and commending them openly during staff meetings.					
27.	Promote deserving staff as at when due					
28.	Provide staff quarters at reduced cost					
29.	Reward staff by paying their vacation expenses					
30.	Ensure that all decisions affecting employee compensation are managed centrally not departmentally					
31.	Ensure that employee pay structure is balanced and fair					
32.	Ensure that employees with high responsibility get better pay.					
33.	Give awards to employees for punctuality.					
34.	Pay employees for over time					
35.	Provide adequate vacation for employees based on their rank					
36.	Provide car loan and transport allowance for employees					
37.	Provide medical services for employees and their families					

**B4: Employee Relations Practices of SMEs in Anambra State**

S/No.	Items on employee Relations Practices:	SA	A	MA	D	SD
38.	Involve employees in the decision making process of the business.					
39.	Maintain an inclusive communication network in the enterprise where employees are made aware of decisions concerning them.					
40.	Encourage cordial relations among employees.					
41.	Encourage team work among employees.					
42.	Organize social events such as end of the year party for employees					
43.	Acknowledge the input of experienced employees when making decisions.					
44.	Show concern about issues that affect employees.					
45.	Respect employees' opinions in their areas of operations					
46.	Regularly holding meetings where grievances' are shared and resolved.					

## Appendix E

### Cronbach Alpha Computation of Instrument Reliability

#### Reliability

#### Resourcing Practices

##### Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	N of Items
.849	13



## Reliability

### Employee Development Practices

#### Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.816	10

## Reliability

### Employee Compensation Practices

#### Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.770	14

## Reliability

### Investment Management Practices

Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.761	9

### SUMMARY OF ALL CLUSTERS

$$0.85 + 0.82 + 0.77 + 0.76 = 3.98$$

$$3.98/4 = 0.80$$

## Appendix F

### DATA ANALYSIS OUTPUT

#### Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Ensure that relevant information about the organization is made available to applicants at the time of recruitment	298	4.3456	.52991
Ensure that relevant information about the job is made available to applicants at the time of recruitment	298	4.0570	.67177
Ensure that the nature of the job is specified during recruitment interview.	298	4.4530	.56211
Ensure that pay for the job is commensurate to the level of employee qualification	298	3.2919	.47709
Specify the requirements for the job to the employees.	298	4.3154	.46547
Ensure that the appraisal system for the job is known to employees.	298	4.3289	.47059
Place the right persons on the right job	298	3.2987	.45844
Use a formal policy for recruitment of employees	298	3.4094	.49255
Ensure that job vacancies are made open to the public	298	3.6107	.65352
Ensure that existing employees are considered when there are vacancies for higher positions	298	3.9295	.68046
Involve heads of units in the recruitment process	298	4.0772	.67476
Use suitable media to advertise vacancies	298	3.9933	.70588

Ensure that the recruitment process is fair to all prospective employees.	298	4.3758	.60832
Valid N (listwise)	298		

## Descriptives

### Descriptive Statistics

	N	Mean	Std. Deviation
Consistently assessing training needs of employees	298	4.0738	.67264
Recommend personnel for training based on merit	298	3.7953	.66796
Seek out opportunities for employees development	298	3.7383	.65026
Ensure that employees appreciate their need for further training	298	3.3725	.49799
Ensure that contents of the training programmes are relevant to the functions of the employees sponsored for training	298	4.1074	.66809
Sponsor employees to training to develop their skills	298	3.3389	.72653
Encourage employees to attend workshops on business skills development	298	3.7148	.66857
Encourage employees to pursue higher degree programmes	298	3.0570	.67677
Sponsor employees to local and foreign conferences to enhance their performance	298	4.3356	.58154
Invite experts to train employees on the job.	298	3.3054	.57797
Valid N (listwise)	298		

## Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Regularly paying staff salaries	298	3.3121	.46412
Appreciate outstanding performance of employees with bonuses.	298	4.0101	.67412
Recognize employees' input and commending them openly during staff meetings.	298	4.0537	.67455
Promote deserving staff as at when due	298	4.1510	.67720
Provide staff quarters at reduced cost	298	3.2416	.59911
Reward staff by paying their vacation expenses	298	3.3020	.45990
Ensure that all decisions affecting employee compensation are managed centrally not departmentally	298	3.5403	.59746
Ensure that employee pay structure is balanced and fair	298	3.2987	.45844
Ensure that employees with high responsibility get better pay.	298	3.2215	.41594
Give awards to employees for punctuality.	298	4.0336	.68575
Pay employees for over time	298	3.3523	.49238
Provide adequate vacation for employees based on their rank	298	3.2181	.41366
Provide car loan and transport allowance for employees	298	4.0067	.67666
Provide medical services for employees and their families	298	3.3154	.49356
Valid N (listwise)	298		

## Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Involve employees in the decision making process of the business.	298	3.9966	.68411
Maintain an inclusive communication network in the enterprise where employees are made aware of decisions concerning them.	298	4.5101	.50074
Encourage cordial relations among employees.	298	4.5302	.49993
Encourage team work among employees.	298	3.8087	.64640
Organize social events such as end of the year party for employees	298	4.5336	.49971
Acknowledge the input of experienced employees when making decisions.	298	4.4765	.55151
Show concern about issues that affect employees.	298	3.9329	.67833
Respect employees' opinions in their areas of operations	298	3.8423	.69045
Regularly holding meetings where grievances' are shared and resolved.	298	3.8289	.68724
Valid N (listwise)	298		

## T-Test

**Group Statistics**

	Size of enterprises	N	Mean	Std. Deviation	Std. Error Mean
Resource practices	Small	202	3.9551	.15884	.01118
	Medium	96	3.9720	.17150	.01750

**Independent Samples Test**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Resource practices	Equal variances assumed	1.198	.275	-.836	296	.404	-.01689	.02021	-.05666	.02288
	Equal variances not assumed			-.813	174.535	.417	-.01689	.02077	-.05788	.02410

## T-Test

**Group Statistics**

	Size of enterprises	N	Mean	Std. Deviation	Std. Error Mean
Employee development	Small	202	3.6812	.19199	.01351
	Medium	96	3.6896	.21100	.02154



## Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Employee development	1.507	.221	Equal variances assumed	-	296	.733	-.00840	.02458	-.05677	.03998
Equal variances not assumed			-	171.884	.742	-.00840	.02542	-.05857	.04178	

## T-Test

## Group Statistics

	Size of enterprises	N	Mean	Std. Deviation	Std. Error Mean
Employment commitment	Small	202	3.5820	.13720	.00965
	Medium	96	3.5618	.14421	.01472

## Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Employment compensation	.868	.352	Equal variances assumed	1.173	296	.242	.02028	.01729	-.01375	.05431
Equal variances not assumed			1.152	178.678	.251	.02028	.01760	-.01445	.05501	

## T-Test

**Group Statistics**

	Size of enterprises	N	Mean	Std. Deviation	Std. Error Mean
Employee relations	Small	202	4.1634	.23227	.01634
	Medium	96	4.1597	.23902	.02440

**Independent Samples Test**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Employee relations	.048	.826	Equal variances assumed	.125	296	.900	.00364	.02906	-.05355	.06084
			Equal variances not assumed	.124	182.067	.901	.00364	.02936	-.05429	.06158

## Oneway

### ANOVA

Resource practices

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	41.574	2	20.787	4.759	.009
Within Groups	1290.822	295	4.394		
Total	1332.396	297			

## Post Hoc Tests

### Multiple Comparisons

Dependent Variable: Resource practices

Scheffe

(I) Years of experience	(J) Years of experience	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1-5 years	6-10 years	.06591*	.02609	.043	.0017	.1301
	11years and above	.00924	.02520	.935	-.0527	.0712
6-10 years	1-5 years	-.06591*	.02609	.043	-.1301	-.0017
	11years and above	-.05666*	.02093	.027	-.1082	-.0052
11years and above	1-5 years	-.00924	.02520	.935	-.0712	.0527
	6-10 years	.05666*	.02093	.027	.0052	.1082

\*. The mean difference is significant at the 0.05 level.

## Homogeneous Subsets

### Resource practices

Scheffe

Years of experience	N	Subset for alpha = 0.05	
		1	2
6-10 years	107	3.9224	
11years and above	132	3.9790	3.9790
1-5 years	59		3.9883
Sig.		.066	.930

Means for groups in homogeneous subsets are displayed.

- Uses Harmonic Mean Sample Size = 88.572.
- The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

**Oneway****ANOVA**

Employee development

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.9	2	1	.247	.782
Within Groups	1162.3	295	3.9		
Total	1164.3	297			

**Oneway****ANOVA**

Employment compensation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.724	2	1.96	.492	.612
Within Groups	1130.332	295	3.92		
Total	1134.056	297			

**Oneway****ANOVA**

Employee relations

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.477	2	4.779	1.072	.344
Within Groups	1308.474	295	4.455		
Total	1318.032	297			