

# EFFECTIVE HUMAN RESOURCES MANAGEMENT PRACTICES AS THE KEY TO ORGANIZATIONAL PERFORMANCE

BY

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## **ABSTRACT**

*Human resources are the most important and most dynamic assets in any organization. That is a familiar song constantly on the lips of human resources scholars. Yet, when bad times set in, these most important assets will be the first to be dispensed with by way of retrenchment, redundancy or termination of appointment. That is the paradox of human assets. Certainly, the importance of human beings working in an organization cannot be over emphasized. Human resources serve as the driving force that keeps the corporate wheels of progress rolling. Effective management of human resources is the key to high productivity and profitability in every organization. Effective management will include, motivation of the workforce, competitive remuneration, adequate staff training and management development programmes to constantly up-date the skills and knowledge of the entire employees. Provision of medical facilities and good working conditions are paramount because a healthy worker is a productive worker. The methodology adopted in this article was the use of primary data collected through questionnaires, interviews observations and discussions with scholars and practitioners in the field of human resources management. Secondary data comprising current academic texts and publications in the field of human resources management were also used to consummate the research study.*

**Key words: Human resources Management, Assets, Paradox, Productivity, Profitability.**

## **INTRODUCTION**

Human resources managers are concerned with the management of human beings in an organization to achieve the set goals and objectives of the enterprise. All other resources, such as, money, materials, technology and methods are equally important but the importance of human resources is paramount due to the fact that it is the factor that gives life and dynamism to other factors of production. Organizational people provide the talents, skills and efforts upon which the successful performance of any organization critically depends. Substantial evidence now exists which indicates that more successful organizations are those in which people or human resources form the central focus of management. It has been widely acknowledged, in literature and in practice, that human resources are the most important assets of every organization. Effective management of these dynamic human beings champions the success of an organization.

## **CONCEPTUAL CLARIFICATION**

Our understanding of the concept of human resources management hinges on the basic assumption that human beings are the most important assets of an organization. People move an enterprise and lend activity to the productive factors and dynamism to the whole firm. Human resources management can therefore be seen as putting into place policies and practices that will ensure effective utilization of human skills for the attainment of organizational objectives.

In today's ever-changing and innovative business environment, it is no longer enough to remain just competitive in the industry. What experienced chief executives aspire to achieve is to

establish competitive superiority over their competitors and to continue to post increased profit figures annually. The singular variable that will aid the chief executive to achieve this goal is adequate training, empowerment and effective management of the workforce, (Cole, 2002)

### **Concepts of Human Resources Management**

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

### **Scope of Human Resources Responsibility**

Almost all managers in an organization has direct or indirect responsibility for human resources management. Top management extols the role of human resources management, decides on strategies and policies of human resources management. For example, top management decides on the status of the human resources manager in the organization as well as his scope of authority. It decides on how much emphasis to place on the training of employees to achieve maximum productivity, (Goldthorpe, 1968).

The human resources manager plays a key role in the formulation of the strategies and policies of human resources management. He designs and implements the manpower plan,

recruitment, training, and compensation systems of the organization, (Martand,2007).

The concept of human resources management is relatively new. In many organizations,

Human resources function was referred to as personnel management until recently. The role of the personnel manager during that era was limited to the administration of personnel policies (where they

exist), especially in the areas of recruitment, selection and discipline of employees. The status

of the personnel manager in the organization was low. He was either at the level of a

supervisor or junior manager. As a result of his low level, he had neither power nor opportunity

to influence the senior managers or handle the total management of human resources in the

organization. For instance, policies relating to management staff were outside his jurisdiction.

With globalization and changes in the business environment, human resources management

has become prominent in modern organizations. Some of these changes that re-shaped the

contour of human resources management are as follows:

1. There has been a shift in the philosophy and orientation of management.

It is now crystal clear to management practitioners that the major constraint to improved productivity in an organization is the ineffective utilization of manpower.

Concentrating on changing and updating productive equipment will have

limited impact on productivity improvement. Management is beginning to

understand that productivity improvement comes through people. For this

reason, emphasis must be placed on effective human resources planning,

and the development of policies and programmes that will ensure effective

utilization of manpower and the achievement of optimum productivity.

2. Improvement in the quality of human resources managers. Until recently, those who have responsibility for the management of employees were trade unionists and supervisors with limited education. Most human resources managers today, are graduates of polytechnics and universities in various disciplines.
3. Costs associated with human resources. Personnel cost forms a substantial proportion of total cost. Effective control of such cost demands substantial effort and knowledge in analyzing and planning human resources functions.
4. Improvement in the quality of trade unionism. The education and experience of trade union leaders have improved tremendously in recent years. Similarly, trade union members are now more enlightened. They are now more aware of their rights and responsibilities.
5. Change in the competitive environment. This requires organizations to seek and employ individuals who can contribute to their growth and development.
6. Increase in legislative changes. During the past three decades, government introduced new laws designed to regulate and control industrial activities and industrial unrest in the economy.

These changes have increased the complexity of human resources management and enhanced the status and role of human resources managers in organizations. Human resources managers now occupy senior management positions and are therefore able to influence the direction and

utilization of employees in the entire organization (Inegbenebor and Agbadudu, 1995)

## **THEORETICAL FRAMEWORK**

Current literature has defined human resources management as the philosophy, policies, procedures and practices related to the management of people within an organization. It is also seen as the totality of efforts of the organization to utilize the skills, talents and creativity of people to achieve corporate objectives, (Kreitner, 2007)

The effort to utilize available human resources is not the assigned responsibility of managers in one department alone. All managers, irrespective of their departments are involved in the activities which are designed to ensure the effective utilization of employees to achieve organizational objectives (Inegbenebor and Agbadudu, 1995).

The secret in human resources management lies in hiring stars and talents who can bring new ideas and new perspectives to the table. When you employ people who know better than you do, a twin advantage is gained. The employer gains new knowledge and new ways of doing things from the new bright hires. The organization gains the best of productivity from the new team. According to Drucker (2002), no part of the productive resources of industry operates at a lower level of efficiency than the human resources. Therefore the emphasis must be in the management of people rather than the management of material resources. Thus, organizations should invest sufficiently in human capital development. Both the knowledge employees and the manual workers need to be developed since both skills mutually bring synergy to bear on organizational performance.

Studies examining the various theoretical approaches to human resources management have emerged overtime. These new approaches were used to formulate different theories relating to the impact of human resources practices on organizational performance. Some of these perspectives are discussed below:

- (a) **Human Capital Theory:** This is an economic approach which sees people as valuable assets. It supports investment in the training and development of people in order to achieve improved organizational performance and increased profitability.
- (b) **Agency Theory:** Agency theory holds that the employer and the employee have a principal-agent relationship. Since there may be disagreement between the two from time to time, legal implications have to be carefully considered and, if possible, litigation should be avoided.
- (c) **General Systems Theory:** This theory describes organizations as complex systems having human resources management as a sub-system. The theory emphasizes that the success or failure of the human resources management component determines the existence and direction of the organization.
- (d) **Competitive Advantage Theory:** This theory encourages organizations to capitalize on competitive advantage it has over other organizations. An employee is a rare resource, highly valuable and not easily substitutable. In order to gain from competitive advantage, there should be creation and support of organizational culture that ensures effective training and development of the workforce and prompt execution of other performance management functions.
- (e) **Organizational Learning Theory:** Organizational learning theory upholds that organizational success is dependent on the ability of the entire labour force to learn. An

employee's prior knowledge facilitates learning and application of new skills and knowledge, hence, the human resources management needs to facilitate continuous learning in the organization.

## **RESEARCH METHODOLOGY**

The methodology adopted in writing this article was largely the use of primary data collected through questionnaires, interviews, observation and discussions with practitioners in the field of human resources management. Secondary data were also obtained through current academic texts and publications in the field of human resources management. The article started by identifying the scope of human resources management in an organization followed by the core responsibilities of the human resources manager.

Essentially the article noted that the human resources manager, in his function as the organizer of people at work, must recommend competitive and commensurate remuneration for the workforce if he is to get the best performance from the employees and be able to retain the services of his performing workforce. A human resources specialist succinctly summarized this point in the following way: "If you pay peanuts, you will attract only monkeys of workers." Monkeys of workers will do more damages than repairs in your organization.

## **LITERATURE REVIEW**

### **Effective Utilization of Human Resources**

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



an essential factor in any business. However, for human beings to produce the best of results, they must be trained, effectively deployed and utilized.

Effective utilization of human resources in an organization involves a variety of activities.

These include; analysis of jobs and individuals in order to have a clear knowledge of their nature and requirements, human resources planning, selection, induction and orientation, training and development, performance appraisal, compensation, discipline, labour relations, health and safety programmes. Effective harnessing and management of these activities will result in:

- (i) Adequate supply of trained employees to man available jobs in the organization.
- (ii) Satisfaction and retention of employees, that is, employees have no desire to leave the organization.
- (iii) High performance of employees on their jobs.
- (iv) Have employees who are willing to contribute to the growth and development of the organization readily available to work.

### **Core responsibilities of the Human Resources Manager**

The core responsibilities of the human resources manager include human resources planning, job design and analysis, staffing through recruitment and selection, placement, job orientation, employee development, performance appraisal and compensation management

### **Human Resources Planning**

Planning is the first function of management and a very essential one too. No organization will

ever succeed without adequate planning of its activities. The failure to plan is, in itself, a plan for the organization to fail. There is no rubber bullet to shoot automatic success into your business without deliberate and careful planning.

Human Resources planning is the process by which an organization ensures that it has the right number of people at the right time and in the right places capable of effectively and efficiently completing those tasks that will aid the organization to achieve its overall objectives.

In the purchase of capital equipment, for instance, managers usually systematically assess the need for such capital assets and evaluate their potential contribution to the attainment of the goals of the organization. In the same vein, human resources planning demands that the manager should systematically relate human resources needs to enterprise goals. Make long-term and short-term estimates of the organization's specific and general needs and maximize the return on investment in human resources. Human resources planning is consummated under three stages - evaluating the present human resources in the organization, forecasting the future needs of human resources, and action plan to engage needed labour.

### **Importance of Human Resources Planning**

Effective human resources planning produces the following positive results:

- (a) Effective human resources planning guarantees the stability and healthy growth of an organization. Managers will no longer rely on finding talented manpower just when they need them because systematic steps have already been taken to ensure the availability of talented and skillful people whenever vacancies exist in the

organization.

- (b) An organization faces the risk of losing trained manpower due to retirement, resignation or discharge. Unless there is adequate manpower planning, key employees who may be difficult to replace may not be available when the organization needs them. Effective human resources planning ensures that adequate human resources exist whenever they are needed for smooth operation in the organization.
- (c) Unnecessary retrenchment which adversely affects the image of the organization and the morale of staff will be avoided.
- (d) When the operations of the enterprise is expanding, human resources planning ensures adequate supply of personnel with the required skills to sustain the growth.
- (e) Effective human resources planning helps to minimize total personnel costs since it takes appropriate action, ahead of time, to prevent unnecessary personnel surpluses and shortages.

### **Job Design and Analysis**

Every organization has objectives which it is established to accomplish. These objectives are usually beyond the capacity of one person to achieve. A number of positions are therefore established which are considered adequate for the purpose of the organization. A position can be defined as a group of tasks placed under, or assigned to an individual. A manufacturing firm may have the position of Chief Engineer, Production Manager or Personal Secretary. A job is

defined as a group of tasks performed by a particular person in a position. For instance, there may be only one position of Chief Engineer in a firm. Such a position constitutes a job title because the person holding the position performs all the tasks grouped under that job.

Job design is therefore the process of specifying the tasks or duties to be performed in a job.

The objectives of job design are to make workers more effective, to make the job easy to learn and do, to make the job more interesting, challenging, and meaningful.

Job analysis is the process of investigating and collecting information on the activities performed in a job, the physical conditions under which it is carried out as well as the responsibilities of the job. Job analysis may be done by observing the workers as they perform their normal routines, by interviewing them or through the administration of questionnaires.

Job analysis enables the Human Resources manager to produce job description and job specification which are used in other processes, such as, recruitment, selection, performance appraisal, training and job evaluation, (Herzberg, 1966).

Job description is a statement of the title, duties and responsibilities of a job. Each job in the organization is usually identified by a title and in some cases, by a number. The duties show what is done, how it is done and why it is done. Job description also indicates the line of reporting for incumbent job holders. Job specification is a statement of the employee characteristics needed to perform a job properly. The characteristics include education and training, experience, mental and physical effort and other human qualities that are required in the performance of the job. Job specification must be carefully related to job description to

ensure that the human qualities specified are appropriate and not too high or too low.

When job specification is too high, unnecessary cost, in terms of higher wages are incurred.

Also, when job specification is too low, higher costs are also incurred. For instance, individuals who may not be able to perform the job properly may be selected and employed thereby imposing unnecessary labour cost on the organization (Cole, 2002)

### **Staffing**

Staffing has to do with bringing-in the personnel required for work in an organization.

It consists of a series of processes designed to fill positions in an organization. The major processes are: Recruitment, selection, placement, job orientation or induction.

**Recruitment:** Recruitment is the set of activities and processes used to obtain a sufficient number of the right type of people at the right place and at the right time so that the organization can select suitable people. In other words, recruitment enables the organization to obtain a pool of qualified applicants from which to select. It also serves as an opportunity to project the corporate image of the organization. Method of recruitment depends on the availability of skills required, time the new people will be required to assume duty, cost, and philosophy of management. The common methods of recruitment are through advertisement in the print and electronic media, employment agencies, recommendation coming from company employees, from suppliers, consultants, schools, colleges, polytechnics and universities.

**Selection:** Selection is the process of gathering information for the purpose of evaluating and deciding who should be hired for the short-term and long-term interests of the individual and the

organization. Personnel selection is based on adequate analysis of organizational needs.

Selection process consists of application, reference letters, tests, interviews, medical examination, placement and induction/orientation.

### **Placement**

Placement is the matching of applicants to jobs based on the requirements of the job.

Requirements for a good selection and job placement include; the establishment of adequate standards in terms of job description and job specification. The job to be done should be clearly specified and the employee characteristics needed for effective job performance should then be matched with the job. Job placement can also be called job posting or job deployment depending on the choice of terminology and industrial norm.

### **Job Orientation**

Every organization has values, norms and behaviour patterns unique to it. These values, norms and behaviour help organizational participants to understand the basic goals of the organization, the preferred means of attaining those goals, the employees basic responsibilities, the behaviour patterns required for effective performance, the set of values or principles for maintaining the organization's identity.

Job orientation is the technique used in teaching new employees the values, norms and mode of behaviour expected from employees in an organization. At the end of an orientation, employees will have the knowledge, skills and disposition that will make them able members of the enterprise. The new people will become familiar with the job requirements, available

facilities in the organization such as location of human facilities, canteens, recreation facilities, factory clinic and so on. They will also become familiar with the various organizational policies, procedures and rules as may be found in the employee handbook.

### **Staff Training and Management Development**

Training is the process of providing employees with the practical skills they need to perform their tasks effectively and efficiently in an organization. Training essentially involves teaching practical operational skills needed for task execution in an enterprise.

Management development, on the other hand, involves the identification of areas of weakness needing development in the ability and mental capacity of senior managers and executives. Such top management staff will be required to attend management development programmes to gain new knowledge on planning, leadership and decision-making. Identification of training and management development needs may be carried out through the following means:

- (a) Analysis of current operational problems such as high cost of production, poor material control, poor quality of product or service, low productivity, and so on.
- (b) Analysis of long-term training needs that may arise due to development of new products, new processes, acquisition of new equipment and manpower mobility upwards in the organization (promotion), or outwards (resignation, termination of appointment, or dismissal).
- (c) Analysis of performance appraisal reports, opinions of heads of departments

and heads of units.

Designing training programmes involves setting training objectives, determining programme content and selecting the methods and techniques of implementation. Training objectives may be set in terms of “Knowledge Objective” (which indicates the knowledge, principles and techniques which the trainee is expected to have after the training); “Attitudinal Objectives” (which points to the set of beliefs and convictions which the trainee is expected to have at the end of the training programme); “Skill Objectives” (which highlights the decision making skills, interpersonal skills, communication skills or specific occupational skills which the trainee is expected to possess after the training).

There are various training methods. The most widely used method is on-the-job training (OJT). The responsibility for OJT is mainly that of the supervisor. It requires the supervisor to identify training needs of subordinates, preparation of the training programme, implementation, evaluation and correction. Demonstration is the most frequently used technique in on-the-job training. Apprenticeship programmes, coaching and job rotation are also on-the-job training methods. On the other hand, off-the-job programmes include lectures, conferences and special courses. Off-the-job programmes remove the employee from the job location into a classroom or lecture hall where the training is conducted (Inegbenebor and Agbadudu, 1995).

There is the need to evaluate training programmes to determine the extent to which the objectives of the training have been met. Evaluation may also be in terms of cost effectiveness of the programme, the strengths and weaknesses of the training process or in terms of who



benefited the most from the programme. There are different methods of evaluating training programmes. Paper and pen examination may be used to test the knowledge acquired in the training programme. Opinions of the trainees may also be sought through questionnaires, and interviews. Supervisors may assist in determining changes in behaviour resulting from training.

### **Performance Appraisal**

Performance appraisal is a formal, systematic and periodic assessment of employees' achievements on the job and comparing these with pre-set standards and targets.

Performance appraisal is not a casual and unsystematic evaluation of performance nor is it a measurement of employees' personal characteristics or attributes. The focus of performance appraisal is on employees' performance on an assigned job in relation to established standards and targets. Performance appraisal pursues the following major objectives:

1. **Feedback:** It lets subordinates know how their current performance is rated by their superiors and hence has motivational effect on them.
2. **Promotion/Advancement:** It identifies those subordinates who merit promotion by the extent to which they have measured up in the performance of their duties.
3. **Transfer:** It identifies subordinates who require to be transferred to different jobs for which they are better able to do.
4. **Training:** It locates or discovers those who are deficient in some way and require to be given additional training to enhance their productivity.
5. **Separation:** It identifies those who have reached their limit of performance and

may need to be separated from the organization.

In spite of the important role played by performance appraisal in an organization, most managers do not attach much importance to it and therefore carry out the assignment haphazardly. A good performance appraisal system is impartial, objective, factual and acceptable to subordinates. To achieve this, there must be an established standard or target against which the performance of subordinates is evaluated. Also, it should be periodic and systematic to remove bias and provide information for future decision making (Kreitner, 2007).

### **Compensation**

Job evaluation forms the basis of compensation administration in every organization.

Compensation is payment made to employees, in terms of wages and salaries, for their contribution towards the attainment of the goal of the organization and for motivating them to achieve higher levels of performance. Compensation is important to both the organization and employees. The organization uses compensation to achieve desirable employee behaviour such as, attracting and retaining the required personnel, motivating employees to achieve reasonable standards of work performance, securing high commitment and encouraging cooperation and willingness to learn new skills and new methods of work.

The cost of compensation administration weighs very heavily on every organization. Decisions relating to compensation are generally of interest to top management because they have direct implications for effective utilization of available human resources. To the employee, compensation determines his or her status, prestige and quality of life. Employees desire to

have a fair compensation system that is consistently applied by management.

There are two broad types of compensation. The first is direct compensation which includes basic pay and individual or group incentives. The second is indirect compensation which includes various benefits such as insurance and pension schemes, paid holidays, canteens, health schemes, recreation programmes, and scholarships. The determination of compensation policy in an organization is dependent on a number of factors:

(a) **Prevailing Wages and Salaries (the Going Rate of Pay):** This is the result of the interplay of the forces of supply and demand in the job market.

Compensation policy must take into consideration the prevailing or going rate of pay in the industry to enable the organization attract the right calibre of personnel needed for maximum productivity.

(b) **Ability to Pay:** Compensation policy is directly affected by the firm's ability to pay. In other words, the firms must be in solid financial position to pay employees the level of salary promised in the contract of employment. Large and more profitable firms are likely to pay above the going rate than less profitable firms. There is some kind of virtuous circle that is in operation in employee remuneration. The higher the pay rate of an organization, the better the calibre of staff it will attract, and it follows directly that the company could be more productive and profitable under the super capable hands under its employment, all things being equal.

(c) **Cost of Living:** Wages and salaries as well as fringe benefits are often adjusted to the

level of inflation in the economy to ensure that the standard of living of employees does not fall.

- (d) **Government Policy:** Organizations are required to comply with laws and regulations relating to compensation. Besides, government is a major employer of labour in Nigeria and its compensation policies are taken as benchmarks or reference points by other employers of labour.
- (e) **Trade Unions:** Trade unions influence compensation policies through collective bargaining process. Trade unions negotiate with employers for better conditions of work for their members and thereby influence the compensation policies of the firms.
- (f) **Productivity:** This has direct impact on compensation policy. Firms enjoying increases in productivity are in a better position to grant increases in wages and salaries than those whose productivity is declining.

### **Incentives**

Incentives are financial and non-financial payments to employees according to their contribution to the organization. They are supplementary to regular wages and salaries.

Incentives are designed to motivate employees to pursue goals such as increasing profits, lowering costs, improving quality of work, improving productivity.

There are different types of incentives. Some incentives are tied to the performance of individual employees while others are tied to the performance of groups of workers or all employees in the organization. The former is known as individual incentives and the latter is

called group incentives.

Individual incentive plans include merit pay, piece-rate, commissions, and stock option.

Merit pay plan involves awarding of pay raises to employees who excel in their performances.

To earn merit pay, an individual must do better than the average worker. In piece-rate plan, reward is based on the number of units produced over a minimum rate of production. Usually, the employee is guaranteed minimum base pay and is paid a certain amount per unit produced above the expected minimum rate of production. Piece-rate pay is applicable to production workers whose rate of production can be counted. Commissions or bonuses are incentive payments to sales persons on the basis of number of items or amount of products sold.

Like piece-rate plan, there is usually a minimum number of products the sales person is expected to sell to earn normal pay. Above the normal pay quantity of products, the sales person receives commission. In some not-so-viable companies, the entire compensation to a sales person is based on commission only. This is called straight commission sales, (Inegbenebor and Agbadudu, 1995).

Stock options are usually tied to the performance of senior managers and chief executives.

It enables managers to purchase a specified number of the company's common stock at a given price at a future date and hence become a part owner of the firm. Executives may also be given cash bonus depending on the profit level of the company in a given year.

Group incentives are designed to enable employees share in the gains of the company to which they have contributed. Incentives may also be paid on the basis of gains in productivity of the

firm. Profit sharing plans enable employees to share in some proportion of the company's profits in a given year. An important characteristic of group incentives is that they encourage company-wide cooperation rather than competition among workers.

### **Fringe Benefits**

These are services available to employees of an organization. Benefits are given to employees based on their status in the organization. The main objective of this type of compensation is to recruit and retain employees in the organization. Benefits include pension schemes, recreational programmes, and educational assistance schemes.

### **Health and Safety of Employees at Work**

The issue of health is very essential because a healthy worker is a productive worker. Provision for good health and safety of employees include procedures for ensuring that adequate treatment is given to employees when they are sick. Many organizations adopt the following procedures in dealing with the issue of workers' health and safety in the workplace:

- (a) Carrying out pre-employment medical examination to ensure fitness of prospective employee.
- (b) Maintaining sound environmental sanitation and adopting preventive measures against diseases.
- (c) Providing clinic and drugs for good medical treatment to be given to sick employees.
- (d) Maintaining clean work environment to keep contagious and infectious diseases away.
- (e) Giving employees health and safety education.

(f) Ensuring that employees work in a safe and healthy environment.

### **Relationship between Human Resources Management and Organizational Performance**

The role of human resources management department is central to organizational performance. Human resources management is in pursuit of the same goals such as effectiveness, efficiency, productivity, profitability, satisfactory customer service which are the concern of every corporate organization.

The human resources development in an organization is an important contributor to proper and meaningful quality management since the quality philosophy and practice have to be part and parcel of the entire workforce.

Organizational performance involves the recurring activities of setting organizational goals and objectives, monitoring operations towards the attainment of such objectives implementing control measures and making adjustments to ensure that the set goals and objectives are achieved efficiently and effectively.

Organizational performance comprises the actual outcome or results of operations in an organization. Organizational performance encompasses three specific areas of a firm's operations, namely; financial performance (profit, return on assets, return on investment, etc.), product market performance (sales, market share, brand popularity, etc.), and shareholder returns (total shareholder return including dividend payment, economic value, etc.). Effective human resources management produces organizational performance which is the key to corporate profitability.

### **CONCLUSION**

Human resources are the most important assets of any organization. Human resources (the

human being working in an organization) constitute invaluable assets available to managers of organizations for the attainment of corporate goals and objectives. Effective management of human resources involves activities which result in adequate supply of capable employees to the organization, satisfaction and retention of productive employees, high job performance, and increased profitability for the enterprise.

All managers in an organization are, directly or indirectly, responsible for human resources management. While the human resources manager plays the key role of formulating and directing the implementation of human resources policies and strategies, other managers are always involved in the decision and implementation of the policies.

Organizational performance involves the recurring activities of setting organizational goals, monitoring progress towards the achievement of such goals, applying controls and making adjustments to achieve the set goals efficiently and effectively. Organizational performance encompasses three specific areas of a firm's operational outcomes, namely; financial performance, product market performance, and shareholder returns.

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**Brief Biography of the Author:**

James Nwoye Obi was born on the 10<sup>th</sup> April, 1960 in Anambra State of Nigeria. After his primary and secondary education in Anambra and Kaduna States respectively, he gained admission into Ahmadu Bello University, Zaria, Nigeria and successfully completed his B.Sc. degree in Business Administration in 1983.

After working for a few years, he returned to Ahmadu Bello University for postgraduate studies and completed his M.B.A. degree in 1989. In the year 1997, he enrolled at the University of Lagos and obtained an Advanced Diploma in Human Resources Management.

It was time to look beyond the borders. With a burning ambition to do a doctoral degree programme, he left the country in January, 2001, to Germany and from there to the United States of America and came back to Nigeria in January, 2010 with a Ph.D. degree in Business Administration obtained from the United States of America.

Dr. Obi joined the National Open University of Nigeria in April, 2010 as Lecturer Grade II. He is married with children, among them is Miss Chinyere R. Obi of the Department of Human Kinetics and Health Education, University of Lagos. Dr. Obi has academic publications in Corporate Social Responsibility, Leadership, Staff Training, Mergers and Acquisitions and Decision-making.