

Appraisal of mediating effect of human resource management practices on employees' performance in Lagos State Water Corporation (LSW)

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ABSTRACT

The study examined the appraisal of the mediating effect of Human Resource Management Practices (HRMP) on Employee Performance (EP) in Lagos Water Corporation (LWC), Nigeria. Specifically the study accessed the employee performance in LWC and the joint effect of the selected human resource management practices on employee performance in the organisation.

Data for the study was collected with the aid of structured questionnaires from 342 randomly selected respondents comprising employees and customers of Lagos Water Corporation (LWC). Multiple regression technique was used to analyse the effects of the selected HRM practices on employee performance in LWC.

The findings showed that the joint effect of some selected Human Resource Management Practices (HRMP) have significant positive effect on Employee Performance (EP) in Lagos Water Corporation ($R^2 = 0.767$; $F = 1.650$, $p < 0.05$). The R^2 (0.767) which is a measure of goodness of fit of the model suggest that 67.7% of the variation in employee performance is explained by combination of recruitment and selection, training and development, compensation and performance appraisal practices. The F-statistics, which is a measure of joint determination, has an estimated value of 1.650 and significant at 5%. Therefore the findings of this study showed that human resource management practices are jointly important in explaining the changes in the employee performance in Lagos Water Corporation.

Based on the findings of this study, it can be concluded that positive human resources practices have significant effect on employee performance in Lagos Water Corporation, Nigeria. This implies that all the components of human resource management practices are important in explaining the changes in the performance of employee in Lagos Water Corporation, Nigeria. Based on the finding, LWC should ensure that all human resource personnel in the industry are trained on human resource management skill and the HR department plays a strategic role as opposed to mainly transactional or operational role. Also, selected HRM practices should be bundled together, because they have a synergistic link and that the impact on employee's performance is enhanced when the other are present than when used individually.

1. Introduction

Storey (2001) defined human resource management as a distinctive approach to employment management which seeks to obtain competitive advantage through the deployment of a high committed and skilled workforce using an array of techniques. Wenhua (2006) defined HRM as activities relating to managing people in organizations for the good of the employees, the company and society. Thus human resource management involves the development of an individual's abilities and attitudes in such a way that the individual is able to grow personally and contribute towards organizational interest (Kinicki, Storey, 1995, Khan, 2010). Human resource management is an integrated strategy and planned development process for effective utilization of human resource for the achievement of organization objectives.

Susan (2016) posited that human resource management is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. She also viewed that one of the major goals of the human resource management is to effectively make use of the talents and abilities of employees. It also strategies directed towards creating and sustaining competitive advantage. Thus, the human resource management enhances organizational performance by improving employee's opportunities to be effective and productive.

Armstrong (2010) posited that the HRM practices that impart on job satisfaction include human capital management, knowledge management, organization development, resourcing

(human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations and employee well – being. The impact of human resource management practices; popularly known as HR practices on organizational performance and employee attitudes has been a leading area of research in the developed world for years. According to Armstrong (2010), commitment, motivation and job satisfaction (either together or separately) were higher when people positively experienced the application of HR policies concerned with creating an able workforce, motivating valued behaviours and providing opportunities to participate. According to Huang (2000), HRM practices are among what influence employees' intention to leave the organization, level of job satisfaction and organizational commitment.

The notion of modern HRM practices has become an increasingly used way of referring to high levels of delegation of decisions, extensively lateral and vertical communication channels, high reward systems, often linked to multiple performance indicators, and other practices that either individually or in various bundles is deployed to achieve high levels of organizational performance (Teece, 2007). Human resource management practices are very crucial to the attainment of organizational goals (Gupta, 2008). Human resource practices have positive impact on performance of individuals. Carlson *et al.* (2006) proposed five human resource management practices that affect performance which are setting competitive compensation level, training and development, performance appraisal, recruitment package, and maintaining morale. Tessema and Soeters (2006) have carried out study on eight HR practices including recruitment and selection practices, placement practices, training, compensation, employee performance evaluation, promotion, grievance procedure and pension or social security in relation with the perceived performance of employees. Therefore, it is concluded that these HR practices have positive and significant associations with the perceived performance of employees.

Performance is associated with quantity of output, quality of output, timeliness of output, presence/ attendance on the job, efficiency of the work completed and effectiveness of work completed" (Mathis and Jackson, 2009). Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor

or organization, to predefined acceptable standards while efficiently and effectively utilizing available resource within a changing environment. Aguinis (2009) described “the definition of performance does not include the results of an employee’s behaviour, but only the behaviours themselves. Performance is about behaviour or what employees do, not about what employees produce or the outcomes of their work”. Perceived employee performance represents the general belief of the employee about his behaviour and contributions in the success of organization, (Aguini, 2009).

The impact of human resource management practices on organizational performance and employee performance has been a leading area of research in both developed and developing countries. Studies on the impact of human resource management practices on organizational performance have been conducted dealing with many different industries at the same time (Davisionet *al.*, 1996; Wyatt, 2002). Findings from such studies have affirmed the importance of effective human resource management practices as important factor for growth and effective performance of any business organisation whether public or private.

However, one of the major challenges facing public sector organisation in a developing country like Nigeria is inadequate establishment of proper strategic linkage between HRM practices, employee performance and attainment of organisational goals (Odueme, 2010). This has resulted in problems such as inability to attract and retain qualified staff, lack of realistic staffing projections, escalating personnel and other related costs and inability to utilize resources effectively and efficiently. Specifically, despite various government interventions through reforms in the public sector in Lagos State, Nigeria, the score card of Lagos Water Corporation has reflected poor performance and inefficiency. Also, in spite of the huge sums of money spent by government on the personnel of Lagos Water Corporation, Nigeria, the organization operates below expectation with low productivity, high rate of employee turnover and poor service delivery (Odueme, 2010).

The dynamic nature of human resource management practices in recent time underscores the need for more research on the impact of human resource practices such as recruitment and selection, training and development, compensation and performance appraisal on employee performance in Lagos Water Corporation, Nigeria. In line with this, the need to

identify the antecedents associated with the multiple domains of employee performance and its determinant factors in a public organization such as Lagos Water Corporation, Nigeria, becomes very imperative. This is because observed performances in the organisation still fall below the expected standard regardless of the efforts of the government at public sector reforms. Against this backdrop, this study examined the problem of poor performance in Lagos Water Corporation, Nigeria, from the human resource management perspective with the aim of generating workable solutions to the performance challenges being faced in the organization.

Research Questions

The following research questions were generated for the study.

- i. What effects do performance appraisal practices have on employee performance in Lagos Water Corporation?
- ii. What are the joint effects of human resource management practices on employee performance in Lagos Water Corporation?

Objectives of the Study

The general objective of the study was to examine the effect of human resource management practices on employee performance in Lagos Water Corporation, Nigeria. The specific objectives were to:

- i. Assess the effect of performance appraisal practices on employee performance in Lagos Water Corporation.
- ii. Examine the joint effect of human resource management practices on employee performance in Lagos Water Corporation.

Research Hypotheses

HO₁: Human resource management practices have no significant joint effect on employee performance in Lagos Water Corporation.

2. METHODOLOGY

The study was carried out in Lagos Water Corporation (LWC), Lagos, Nigeria.

This study adopted survey research design. The design was chosen because it enabled the collection of detailed and factual information about the phenomenon under study.

The study population consisted of two categories of respondents; the staff of Lagos Water Corporation and the customers of Lagos Water Corporation. The population of Lagos Water Corporation staff is made up of five hundred and sixty eight (568) Administrative/supporting staff, six hundred and seventy five (675) Professional/Technical staff, five hundred and ninety nine (599) Marketing staff giving a total of one thousand eight hundred forty two (1842). The population of customers consist of two thousand one hundred and sixty seven (2167) customers on the list of Lagos Water Corporation who have a record of prompt and regular payment of bills (LWC Customer List, 2017). On the whole, the study population is one thousand eight hundred and forty two (1842) staff of the five area offices of Lagos Water Corporation, and two thousand one hundred and sixty seven (2167) customers of Lagos Water Corporation as shown in Table I and II respectively.

Table I: Distribution of Staff Population

S/N	Distribution Zone	Population			
		Admin/Supporting Staff	Professional/Technical Staff	Marketing Staff	Total
1	Agege Area Office	138	156	143	437
2	Iju Water work	78	103	81	262
3	Saka-Tinubu waterworks	131	148	138	417
4	Amuwo Area Office	136	158	145	439
5	Shomolu Area Office	85	110	92	287
	Total	568	675	599	1842

Source: Lagos Water Corporation Bulletin, 2017.

Table II: Distribution of Customer Population

S/N	Distribution Zone	Customers
1	Agege Area Office	502
2	Iju Water works	332
3	Saka-Tinubu waterworks	478
4	Amuwo Area Office	493

5	Shomolu Area Office	362
	Total	2167

Source: Lagos Water Corporation Customer List, 2017

Three Distributional Zones of Lagos with the largest population of customers were purposively selected for the study. These were: Agege Area office, Saka-Tinubu Water Works and Amuwo Area office.

The Staff selection comprised 20% of Administration/Support staff and the Marketing staff while 15% of Technical/Professional staff were selected. However, from the customers’ population in the three selected distribution zones, 10% each was selected for interview. This is in accordance with the Ball and Gall in Uzoagulu (1998) that if a population is more than 1000, 10% or more could be used as sample for obtaining data to minimize sample error. For this study, probability sampling technique were used because it is unbiased and capable of leading to conclusions of wide general use.

Table III: Sampling Procedure for the Selection of Staff

S/N	Distribution Zone				
		Admin/Supporting Staff	Marketing Staff	Professional/Technical Staff	Total
1	Agege Area Office	28	29	23	80 (38.5%)
2	Saka-Tinubu Waterworks	26	28	22	76 (36.5%)
3	Shomolu Area Office	17	18	17	52 (25.0%)
	Total	71	75	62	208(100%)

Source: Author’s Computation, 2017

Table IV: Sampling Procedure for the Selection of Customers

S/N	Distribution Zone	Customer
1	Agege Area Office	50 (37.32 %)
2	Saka-Tinubu Waterworks	48 (35.8%)
3	Shomolu Area Office	36 (26.9%)

	Total	134 (100%)
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Source: Author's Computation, 2017

The main source of data for the study was primary data, which was generated from a qualitative survey of the study sample.

The data collection instruments for the study comprised of employee performance questionnaire and human resources management constructs (HRM). The instrument was divided into two sections - A and B to generate data on different variables of interest.

A pilot study was conducted in Ogun State Water Corporation to test the reliability and validity of the case study. Necessary modifications on the research instruments were implemented based on the observations generated from the pilot study.

Descriptive statistics and inferential statistics were used to analyse the data obtained for this study. Simple descriptive statistics such as tables, mean, percentages and Weighted Mean Score (WMS) was used to present the socio-demographic characteristics of the selected employee of LWC and the selected customer of LWC. Descriptive statistics was used due to their ability to convey information to a good number of people easily because they are relatively simple to understand and interpret than rigorous mathematics (Saunders *et al.*, 2009).

The inferential analysis was done using multiple regression analysis. Multiple regression was used to analyse the joint effect of human resources management practices on employee performance. This analysis was conducted using "Statistical Package for the Social Sciences" SPSS (21). Multiple regression was used to test hypothesis five. These tools were selected for this analysis because they have the functionalities to accommodate researchers' variables of interest. Researchers used this technique to test the relationship between dependent and independent variable(s) and also provide the extent by which independent variables affects dependent variable

Model Specification

In this research study, employee performance of the Lagos Water Corporation is considered as the dependent variable and human resource management practices (training and development, compensation, recruitment and selection and performance appraisal) as independent variables. Variables were selected from studies conducted by Singh (2004), Qureshi (2007), Mohammed *etal.*(2014) and Hassan (2010).

This is expressed mathematically as:

$$Y = a + bx + \mu$$

Where

Y = Employee performance

X₁= Recruitment and selection practices

X₂= Training and development practices

X₃= Compensation practices

X₄= Performance appraisal practices

The Xs represent the independent variables

Multiple Regression Model Specification

The model is specified as: $Y = f(X_1, X_2, X_3, X_4,)$

$$Y = \beta_0 + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \mu \dots \dots \dots (1)$$

Where,

Y = Employee performance

X₁ = Recruitment and selection practices

X₂ = Training and development practices

X₃= Compensation practices

X₄ = Performance appraisal practices

$\beta_0 \dots \dots \dots \beta_4$ = Regression co-efficient

μ = Stochastic error

A priori Expectation

A priori expectation is related to the magnitude of relationship the researcher is expecting from the analysis between the variables based on all the hypotheses that have been formulated (Crawford, 2010). In line with the hypotheses, it was expected that Human

resources management practices will have a significant influence on employee performance in Lagos Water Corporation.

In this study the a priori expectation was represented in statistical notation and presented in Table V.

Table V:A priori Expectation

Obj	Model	A priori Expectation
1	$Y = \beta_0 + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \mu$	$P < 0.05$; H_{01} will be rejected

3. Results and Discussion

Analysis of Data on Employee Performance in LWC

The criteria for employee performance in Lagos Water Corporation (LWC) was analysed statistically as shown in Table VI. LWC gives the capacity to learn and perform the tasks required in job is rated as 3.47 3.0 of 5.0 Likert Scale means undecided opinion. None of the respondents strongly disagreed and 9 respondents disagreed with the statement that LWC gives the capacity to learn and perform the tasks required in job, 200 respondents were undecided, 60 respondents agreed and 51 respondents strongly agreed with the statement. The opinions of 200 respondents were the highest value of opinions of 320 observed by this study and this represents 62.5% of the total respondents who do not agree with the statement that Lagos Water Corporation (LWC) gives the capacity to learn and perform the tasks required in job.

The employees understand and adhere to policies and procedures of Lagos Water Corporation as a result of rating of 3.53 4.0 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed and 2 disagreed with the statement that employees understand and adhere to policies and procedures of Lagos Water Corporation. 205 respondents were undecided, 50 respondents agreed and 61 respondents strongly agreed with the statement. There were total opinions of 318 in which 205 opinions were observed as the

highest and this represents 64.47% of the total respondents who agreed that employee understand and adhere to policies and procedures of Lagos Water Corporation.

The incompetent employees are identified and provided with necessary support as a result of opinion rating of 3.46 – 4.0 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed or disagreed with the statement that incompetent employees are identified and provided with necessary support. 181 respondents were undecided with the statement, 32 respondents agreed and 43 respondents strongly agreed with the statement. The total opinions of 256 were gathered with 181 opinions observed as the highest and this represents 70.70% of the total respondents who do not agree that incompetent employees are identified and provided with necessary support.

LWC encourages workers for the best of its ability and this was observed to be at 4.12 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed and disagreed respectively with the statement that LWC encourages workers for the best of its ability. 105 respondents were undecided, 66 respondents agreed and 144 respondents strongly agreed with the statement. The opinions of 144 respondents were the highest value of opinions of 315 observed by this study representing 45.71% of the total respondents who agreed with the statement that LWC encourages workers for the best of its ability.

It was understood that LWC offers acceptable working conditions such as enough time and equipment to perform the job effectively as a result of rating of 3.94 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed and 5 respondents disagreed with the statement that LWC offers acceptable working conditions such as enough time and equipment to perform the job effectively. 161 respondents were undecided, 4 respondents agreed and 151 respondents strongly agreed with the statement. There were total opinions of 321 respondents in which 151 opinions were observed as the highest and this represents 50.16% of the total respondents who do not agree that “LWC offers acceptable working conditions such as enough time and equipment to perform the job effectively”.

Receiving of prompt acknowledgement and recognition for doing a good job enhance performance is agreed due to opinion rating of 3.66 – 4.0 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed and 5 respondents disagreed with the

statement that receiving of prompt acknowledgement and recognition for doing a good job enhance performance. 170 respondents were undecided with the statement, 55 respondents agreed and 77 respondents strongly agreed with the statement. The total opinions of 307 were gathered for the study with 170 opinions observed as the highest and this represents 55.37% of the total respondents who do not agree that “receiving of prompt acknowledgement and recognition for doing a good job enhance performance”.

LWC considered turn- around time of employee to complete given tasks in promotion. It is neutral statement as a result of opinion rating of 3.46 3.0 of 5.0 Likert Scale means undecided opinion. There are 5 respondents who strongly disagreed with the statement that LWC considered turn- around time of employee to complete given tasks in promotion. 10 respondents disagreed while 185 respondents were undecided with the statement. 35 respondents agreed and 62 respondents strongly agreed with the statement. The total opinions of 297 were gathered for the study with 185 opinions observed as the highest and this represents 62.29% of the total respondents who agreed that “LWC considered turn- around time of employee to complete given tasks in promotion”.

LWC inability to give desired platform for employee to work effectively renders output low. This is noted at opinion rating of 3.57 4.0 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed or disagreed respectively with the statement that LWC inability to give desired platform for employee to work effectively renders output low. 196 respondents were undecided, 52 respondents agreed and 63 respondents strongly agreed with the statement. The total opinions of 311 were discovered with 196 opinions observed as the highest and this represents 63.02% of the total respondents who do not agree that “LWC inability to give desired platform for employee to work effectively renders output low”.

Enforcement of LWC behavioural code guides and prevents perpetual bad habits that can detract performance. This is neither agreed nor disagreed with the opinion and it is observed by the respondents at rating of 3.49 4.0 of 5.0 Likert Scale an agreed opinion. None of the respondents strongly disagreed while only one (1) respondent disagreed with the statement that enforcement of LWC behavioural code guides and prevents perpetual bad

habits that can detract performance. 207 respondents were undecided, 13 respondents agreed and 64 respondents strongly agreed with the statement. There were total opinions of 285 in which 207 opinions were observed as the highest and this represents 72.63 % of the total respondents who do not agree that enforcement of LWC behavioural code guides and prevents perpetual bad habits that can detract performance.

LWC offers the best resources and tools needed to perform job effectively. This was supported at opinion rating of 3.55 – 4.0 of 5.0 Likert Scale means agreed opinion. None of the respondents strongly disagreed or disagreed with the statement that LWC offers the best resources and tools needed to perform job effectively. 201 respondents were undecided, 14 respondents agreed and 72 respondents strongly agreed with the statement. The total opinions of 287 were gathered for the study with 201 opinions observed as the highest and this represents 70.03% of the total respondents who do not agree that "LWC offers the best resources and tools needed to perform job effectively".

The active pursuit and initiative project for the benefit of Lagos Water Corporation is neither true nor false due to supporting statement of 3.39 of 5.0 Likert Scale. This is undecided opinion in which none of the respondents strongly disagreed and 5 respondents disagreed with the statement. 191 respondents were undecided, 13 respondents agreed and 45 respondents strongly agreed with the statement. The opinions of 191 respondents were the highest value of opinions of 254 observed by this study and this represents 75.19 % of the total respondents who do not agree that active pursuit and initiative project for the benefit of Lagos Water Corporation.

The customer services relationship of the organisation has a positive impact on employee performance as a result of rating of 4.19 of 5.0 Likert Scale which is an agreed opinion. 2 respondents strongly disagreed and 3 respondents disagreed with the statement that customer services relationship of the organisation has a positive impact on employee performance. 88 respondents were undecided, 45 respondents agreed and 157 respondents strongly agreed with the statement. There were total opinions of 295 respondents in which 157 opinions were observed as the highest and this represents 53.22% of the total respondents who

agreed that “customer services relationship of the organisation has a positive impact on employee performance”. Table VI illustrates the outcome of the criteria for effective employee performance in Lagos Water Corporation (LWC) in which mean of 3.66 was observed. This indicates that employee performance in Lagos Water Corporation (LWC) is effective based on the outcome. This result agreed with the outcome of Hassan (2016) that HRM practices that involves compensation, career planning, performance appraisal, training, and employee involvement has a positive impact on employee’s performance.

Table VI: Employee Performance in LWC

S/N	Statement on Employee performance in LWC	Opinion ()						Mean = $\Sigma fx / \Sigma f$	
		SD	D	U	A	SA	Σf		
i	LWC gives capacity to learn and perform the tasks required	0 (0.00)	9 (2.81)	200 (62.50)	60 (18.75)	51 (15.94)	32 0	111 3	3.4781
ii	Employee understand and adhere to policies	0 (0.00)	2 (0.63)	205 (64.47)	50 (15.72)	61 (19.18)	31 8	112 4	3.5346
iii	Incompetent employees are identified	0 (0.00)	0 (0.00)	181 (70.70)	32 (12.50)	43 (16.80)	25 6	886	3.4609
iv	LWC encourage to work with the best of ability	0 (0.00)	0 (0.00)	105 (33.33)	66 (20.95)	144 (45.71)	31 5	129 9	4.1238
v	LWC offers acceptable working conditions	0 (0.00)	5 (1.56)	161 (50.16)	4 (1.25)	151 (47.04)	32 1	126 4	3.9377
vi	Prompt acknowledgement and	0 (0.00)	5 (1.63)	170 (55.37)	55 (17.92)	77 (25.08)	30 7	112 5	3.6645
vii	Turn- around time of	5	10	185	35	62	29	103	3.4680

	employee to complete given tasks in promotion	(1.68)	(3.37)	(62.29)	(11.78)	(20.88)	7	0	
viii	LWC inability platform	0 (0.00)	0 (0.00)	196 (63.02)	52 (16.72)	63 (20.26)	31 1	111 1	3.5723
ix	Behavioural code guide and prevent perpetual bad habits	0 (0.00)	0 (0.00)	207 (72.63)	13 (4.56)	64 (22.46)	28 5	995	3.4912
X	LWC offers the best resources and tools needed	0 (0.00)	0 (0.00)	201 (70.03)	14 (4.88)	72 (25.09)	28 7	101 9	3.5505
xi	The pursuit and initiative project in LWC	0 (0.00)	0 (0.00)	191 (75.20)	13 (5.12)	45 (17.72)	25 4	860	3.3858
xii	Customer service relationship has positive impact	2 (0.68)	3 (1.01)	88 (29.83)	45 (15.25)	157 (53.22)	29 5	123 7	4.1932
	Sum (Σf)								43.860 6
	Mean (\bar{x})								3.6551

Note: Figures in parentheses are percentage

Joint Effect of Human Resources Management Practices on Employee Performance

There are fifty two (52) items which were considered as Human Resource Management Practices (HRMP) that include items of recruitment and selection, training and development, compensation, performance appraisal and employee performance in terms of content. The mean of each item is considered and treated. The RSP has 7 items with mean of 4.0932; the TDP has 12 items with mean of 4.0978; the CP has 10 items with mean of 4.5331; the PAPHs 11 items with mean of 3.9965 and the EP has 12 items with mean of 3.6551. Table VII illustrates the joint effect of Human Resource Management Practices (HRMP) and Employee Performance

in LWC. The joint effect contributes positively into LWC as an organisation due to mean of 4.1802 as shown in the Table VII below.

The findings revealed that human resources management practices have significant joint effects on employee performance in LWC. This finding is in support of the Universalist theory which provides a prescription of HR practices that are considered to provide superior performance, the perspective also recognizes that the value of HR can be achieved through the adoption and implementation of a particular set of human resource management practices in the organisation.

The findings also revealed that performance appraisal practices has the most significant contributions to employee performance in Lagos Water Corporation followed by training and development practices, compensation practices while recruitment and selection practices has the lowest and negative contribution to employee performance in Lagos Water Corporation. This result agreed with work of Guest (2002); Wright *et al.*(2003); Khan (2010); Qureshet *al.* (2010) and Mellamet *al.*(2015) that human resource management practices is the important factors to predict employees performance. The study agreed with Hassan (2016) that HRM practices requires compensation, career planning, performance appraisal, training, and employee involvement to have significant that gives positive outcome on employee’s performance. This also in line with research conducted by Singh (2004) that stated that there is a positive relationship between HRM Practices and employee’s performance. Khalid, *et al.*, (2014) also highlighted that HRM practices can enhance the employee’s level of performance which influence the perception of employees about performance and this must be seriously considered in Lagos Water Corporation.

Table VII: Joint Effect of HRM on Employee Performance in LWC

Joint effect of HRM and employee performance of LWC		Mean (\bar{x})	Remark
I	RSP	4.0932	Agreed
li	TDP	4.0978	Agreed

iii	CP	4.5331	Strongly agreed
iv	PAP	3.9965	Agreed
	Sum (Σf)	16.7207	
	Mean (\bar{x})	4.1802	

Where: 1= Strongly Disagree, 2 = Disagree, 3= Undecided, 4= Agree, 5 = Strongly Agree

Hypothesis of the study

Ho₁: Human Resources Management Practices (HRMP) have no significant joint effect on Employee Performance (EP) in Lagos Water Corporation. Table VIII presents the regression result of joint effect of human resources management practices on employee performance in Lagos Water Corporation. Results presented in Table VIII shows the combination of recruitment and selection practices, training and development practices, compensation practices and performance appraisal practices significantly affect employee performance in LWC ($R^2 = 0.767$; Adj. $R^2 = 0.302$, F (1.650, $p < 0.05$). According to this Table VIII, the value of the R square is 76.7% (i.e. 0.767), this implies that 76.7% of the variation in the dependent variable can be accounted for by the independent variables (joint effect of human resources management practices), while the remaining 33.3% can be explained by other factors outside the scope of this model. The findings of the study indicated that there is a strong and significant effect of joint effect of human resources management practices on employee Performance. The F –statistics, which is a measure of joint determination has an estimated value of 1.650 and $p < 0.05$. This implies those human resources management practices components are jointly important in explaining the changes in employee performance in Lagos Water Corporation. This means that the regression model has a confidence level of over 95% hence its high reliability. The value of R-square which is a measure of good fit was 0.767 which implies that human resources management practices collectively explained 76.7% of the variation in employee performance in Lagos Water Corporation. Based on this result, the null hypothesis (Ho₅) which states that human resources management practices do not have significant joint effects on employee performance in Lagos

Water Corporation is hereby rejected.

The prediction is carried out using multiple linear regression model and the results are stated as follows:

This is expressed mathematically as:

$$Y = 28.717 - 0.009x_1 + 2.958x_2 + 1.515x_3 + 3.318x_4 + \mu$$

Where:

Y = Employee performance

x_1 = Recruitment and selection practices

x_2 = Training and development practices

x_3 = Compensation practices

x_4 = Performance appraisal practices

The regression result shows that recruitment and selection practices have a negative relationship with employee performance. According to the estimation result, the co-efficient of this variable is -0.009 and t-value of -0.025. This implies that the coefficient is negative and not statistically significant. The result shows that a unit increase in recruitment and selection practices would lead to a 0.009 decrease in employee performance in LWC.

The regression results also show that the training and development practices have a positive relationship with employee performance in LWC. The coefficient of this variable is 2.958 with a t-value of 2.125 ($p < 0.05$). This implies that the coefficient of training and development is statistically significant, an indication that the training and development practices are an important determinant of employee performance in LWC. The result show that a unit increase in training and development practices would result into a 2.958 increase in employee performance in LWC.

Results also show that compensation practices have a positive relationship with employee performance in LWC. According to the estimation results, the coefficient of this variable is 1.515 and a t-value of 2.183 ($p < 0.05$). This implies that the co-efficient of compensation is positive and statistically significant. The result indicates that a unit increase in compensation practices would result into a 1.515 increase in employee performance in LWC.

Furthermore, the regression result shows that there is a positive relationship between performance appraisal practices and employee performance in LWC. The result shows the coefficient of the variable at 3.318 and t-value of 2.559 ($p < 0.05$). This indicates that performance appraisal practices have positive relationship with employee performance in LWC. This indicates that a unit increase in performance appraisal practices would result into 3.318 increases in employee performance in LWC.

The estimation results shows that overall, performance appraisal practices ($\beta = 3.318$, $t = 2.559$, $p < 0.005$) has the most significant contributions to employee performance in Lagos Water Corporation followed by training and development practices ($\beta = 2.958$, $t = 2.125$, $p < 0.05$), compensation practices ($\beta = 1.515$, $t = 2.183$, $p < 0.05$) while recruitment and selection practices have the lowest and not significant contribution to employee performance in Lagos Water Corporation. Based on the finding of this model, performance appraisal practices is the most significant determinant of employee performance in Lagos Water Corporation.

Table VIII: Multiple Regression Result of Joint Effect of Human Resources Management Practices on Employee Performance in Lagos Water Corporation

Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t-value	Decision
Constant	-28.713	13.251		-2.167	
Recruitment and selection (X_1)	-.009	.321	-.009	.025	Accept H_{01}
Training and development (X_2)	2.958	1.392	1.199	2.125	Reject H_{01}
Compensation (X_3)	1.515	.644	1.449	2.183	Reject H_{01}
Performance appraisal (X_4)	3.318	1.297	1.829	2.559	Reject H_{01}

$R^2 = 0.767$; Adj. $R^2 = 0.302$; $F(1.650, p < 0.05)$

Conclusion and Recommendations

Conclusion

Based on the findings of this study, it can be concluded that positive human resources practices have significant effect on employee performance in Lagos Water Corporation, Nigeria. This implies that all the components of human resource management practices are jointly important in explaining the changes in the performance of employee in Lagos Water Corporation, Nigeria.

Recommendations

Based on the findings and conclusions of the study, the following recommendation are proffered:

- I. Lagos Water Corporation should sustain and further improve upon approach towards formulation and implementation of HRM practices in the organisation. This will provide holistic support for the implementation of strategic HRM in Lagos Water Corporation.
- II. LWC should ensure that all human resource personnel in the industry are trained on human resource management skill and the HR department plays a strategic role as opposed to mainly transactional or operational role.
- III. Selected HRM practices should be bundled together, because they have a synergistic link and that the impact on employee's performance is enhanced when the other are present than when used individually.

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