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Research article

Human Resource Management Practices  
and Organizational Performance:  
An Empirical Study of Oil and Gas Industry in Nigeria

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**Abstract.** The impact of human resource management (HRM) practices on organizational performance has been subject of discourse among social scientists from a wide range of disciplines in the last two decades. But unfortunately, very insufficient number of studies in this area has been conducted in Nigeria and other developing countries. This study was undertaken to fill this obvious research gap. The author applied descriptive method and collected the data via a survey of 164 respondents in Nigeria's Oil and Gas Industry. Data collected were analyzed using Pearson product moment correlation and t-test analysis. The study found that there is a significant relationship between HRM practices and organizational performance. As predicted, the study revealed that human resource management practices exert positive and statistically significant impact on organizational performance. Requisite conclusion and recommendations were provided in the light of theoretical and empirical findings. With this study, we hope to contribute to a better understanding of the role of HRM practices in creating and sustaining organizational performance, specifically in the Nigerian context.

**Keywords:** human resource management, organizational performance, correlation, best practices, Nigeria

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## Introduction

The ultimate goal of a business organization is higher financial performance or maximization of wealth for the stakeholders [1]. Nonetheless, attaining the organization's goals depends upon the extent to which its organizational performance is reached [2]. Organizational performance is generally indicated by effectiveness (whether an organization can achieve its objectives), efficiency (whether an organization uses resources properly), satisfaction of employees and customers, innovation, quality of products or services, and ability to maintain a unique human resource pool [3].

Employees and their collective skills, abilities and experience, coupled with their ability to deploy these in the interest of the organization, are now recognized as making a significant contribution to organization growth and success and as constituting a major source of competitive advantage [4]. Similarly, Maliket concluded that in the era characterized by rapid and continuous change, human capital must be retained in order for organizations to be productive and responsive to the needs of their stakeholders. Implementation of appropriate HRM is critical to the growth and success of organizations because human capital has certain qualities that drive organization performance along with other resources such as material, money, and information.

The major challenge of modern organizations is the urge for increasing productivity and achieving a competitive advantage [5]. In terms of business strategy, an organization can succeed if it has a sustainable competitive advantage. To achieve competitive advantage, Bohlander and Snell [6] argued that while people have always been central to organizations, they have now taken on an even more central role in building a firm's competitive advantage. They posit further that success increasingly depends on the organization's people-embodied know-how, which includes the knowledge, skills and abilities embedded in an organization's employees. Organizations best able to meet this challenge are those that can acquire and utilize valuable and scarce resource. Human resources fall into this category of resources, particularly if they are effectively deployed through appropriate human resource practices [7]. Therefore, one of the key tasks for a modern organization is the effective management of its human resource.

Research in human resource management (HRM) has established that the success of any organization is highly influenced by the calibre of its human resource (HR), which in turn, is affected by the organization's human resource management practices [8]. Results of studies, from developed countries to developing countries, have been time and gain showing that HRM practices has significant impact on organizational performance [9; 10; 2; 7; 11; 12; 13]. But unfortunately, little empirical research has been conducted to examine the impacts of human resource management (HRM) practices on organizational performance in Nigeria. To augment the contemporary knowledge base of HRM practices of developing countries, this study has been undertaken.

## Conceptual and theoretical review

### *1. Human Resource Management (HRM)*

Practices Human resource management (HRM) refers to formal systems of management of people within an organization. HRM has assumed a vital strategic role in recent years as organizations attempt to compete through people. Organizations can create a competitive advantage when they possess or develop resources that are valuable, rare, inimitable, and organized [14]. According to Dessler [15. P.4], HRM refers to “the policies and practices involved in carrying out the human resource aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations”. Fajana [16] sees HRM as the discipline that is connected with the concepts, theories, plans, programmes, strategies, procedures, rules and regulations that are employed in the acquisition and utilization of men towards the achievement of organizational goals.

Jones [17] affirms that HRM includes all the activities that managers engage in to attract and retain employees and to ensure that they perform at a high level and contribute to the accomplishment of organizational goals. This supports the assertion of Boohene and Asuinura [7] who posits that, the result of effectively managing human resources is an enhanced ability to attract and retain qualified employees who are motivated to perform. To them, the benefits of having the right employees motivated to perform include greater profitability, low employee turnover, high product quality, lower production costs, and more rapid acceptance and implementation of corporate strategy. Essentially, therefore, HRM is about acquisition (using recruitment and selection), use (via training and development), and retention (through motivational processes including pay, review of performance and feedback and grievance procedures) of efficient and effective employees. In an organization with effective human resource management (HRM), employees and customers tend to be more satisfied, the organizations tend to be more innovative, have greater productivity, and develop a more favorable reputation in the community [13].

### *2. Organizational Performance*

The concept of performance covers both what has been achieved and how it has been achieved. Organizational performance can be measured in a number of different ways. The most obvious way to measure what has been achieved, and the approach used in many studies, is by reference to key performance indicators (KPIs), which are usually to do with financial results (Profitability) or productivity. Measuring the how is more difficult. It has to rely extensively on qualitative assessments of organizational capability or effectiveness. Organizational capability is defined as the capacity of a firm to function effectively in order to compete and deliver results while organizational effectiveness on the other hand, is defined as the capacity of an organization to achieve its goals by making effective use of the resources available to it [4].

Organizational performance is concerned with product or service quality, product or service innovation, employee attraction, employee retention, customer satisfaction, management/employee relation [18]. The organizational performance variables of the present study include product quality, customer satisfaction, new product development, ability to attract employees, ability to retain employees, and relationship between management and employees.

### ***3. Nigeria's Oil and Gas Industry***

The concept of Nigeria's oil and gas industry is central to a fuller appreciation of the associated dynamics of the industry in terms of its creation and development [19]. The character of Nigeria's oil and gas industry has been subjected to a myriad of debates [20]. A perspective to this ongoing debate is the fact that Nigeria cannot be rightly considered as having a petroleum industry [21]. This argument is based on the premise that Nigeria has not effectively managed certain fundamentals associated with the industry to achieve substantive resource control. This conclusion is further amplified by comparing Nigeria oil and gas industry to other similar jurisdictions on issues of accountability, transparency, and maturity of underlying legal and fiscal frameworks [22].

Crucial to this study is the identification of participants and stakeholders who are actively involved in developing the processes that ultimately define the nature and character of Nigeria's oil and gas industry. The well-established principal-Agency Theory and the Stakeholder Theory [23] recognize the role of multiple factors in the productive ventures. This implies the need for accountability and responsibility, subject to the internal structure and processes of the organization. In Nigeria's oil and gas sector, it may be argued that the stewardship of key actors has not translated to the delivery of reasonable value to a broad range of stakeholders [24; 25]. This view is further advanced on the basis that the oil and gas sector is supposed to produce benefits for multiple stakeholders, such that if it fails in this regard, the very essence of the industry becomes eroded. It is noteworthy that the issue of dominance amongst the various interests has usually over showed the need to strike a fair balance. The divergent interests are exemplified in the dynamics amongst host communities, multinational corporations and the state [25]. This situation reinforces the importance of effective HRM practices and government structures to regulate the internal processes of the organizations involve in downstream petroleum activities. This study argued that the very essence of oil and gas industry in Nigeria (that is maximization of wealth for stakeholders) which is the ultimate goal of a any business organization, can be achieved and sustained by managing people as assets that are fundamental to the competitive advantage of the organization, aligning HRM policies with business politics and corporate strategy, and developing a close fit of HR policies, procedure, and systems with one another [26].

### ***4. Relationship between HRM Practices and Organizational Performance***

Armstrong [4] observes that the assumption underpinning the practice of HRM is that people are the organization's key resource and organizational

performance largely depends on them. Therefore, if an appropriate range of HR policies and processes are developed and implemented effectively, then human resource (HR) will make a substantial impact on organization's performance. Guest [5] also argues that the case for an association between HRM and organizational performance is based on two arguments. The first one being that the effective deployment of human resources offers one of the most powerful basis of competitive advantage. The second argument is that effective deployment of human resources depends on the application of a distinctive combination of practices, or the use a consistent set of human resource practices.

Again, according to Collins and Drueten [27] cited in Boohene and Asuinura [7. P. 267], "researchers have produced compelling evidence for the causal link between how people are managed and organizational performance. They argued that the effectiveness of HR practices, particularly employee selection procedures, performance appraisals, compensation management, and employee training and development often have a direct bearing on organizational productivity and performance" the major activities that make up the HRM practices are four-folds and they are like components of a system which influence one another to bring about efficiency, quality, innovation, and responsiveness to customers- the four building blocks of an organization's competitive edge. The relationship between HRM practices and organizational performance can be investigated in various ways. First, independent HRM practices, particularly recruitment and selection, training and development, staff performance appraisal, and compensation and their contribution to organizational performance can be investigated. Importantly, synergetic relationship among the HRM practices and their contribution to organizational performance could be examined.

#### ***4.1. Recruitment and Selection and Organizational Performance***

Recruitment and selection are "critical processes for organizations. In recent years, there have been growing evidence that the formation of a positive psychological contract with employees provides the basis for a positive outcome in terms of organizational commitment and motivation. Recruitment and selection are vital tools in the formation of the expectations that form such a contract" [28]. Recruitment is the process of attracting and engaging the people the organization needs. During this process, efforts are made to inform the applicants fully about the qualifications require performing the job and the career opportunities the organization can offer its employees. Selection on the other hand, is part of the recruitment process concerned with deciding which applicants or candidates should be appointed to jobs [4]. Recruitment and selection in any organization is a serious business of the HR managers. This is because, the success of any organization or efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises [29].

Armstrong [4] affirms that recruitment and selection process come in four stages: defining requirements, attracting candidates, selecting candidates, and placing them on the job. Boxall and Purcel [30] observe that many organizations

including the well resourced still imagine that recruitment is all about attracting young workers fresh from schools or after only a few years in the labour market. However, recruitment and selection extend to attracting suitable candidates, eliminating unsuitable candidates, and converting the successful candidates to an effective employee. It is important for HR managers to understand the objectives, policies, and practices used for selection. This is because, the aims of this practices are to improve the fit between employees, the organization, teams and work requirements and thus, to create a better work environment [31]. Robbins, Judge and Sanghi [32] observes that an organization's human resource policies and practices represent important forces for shaping employee behaviour and attitudes. Hunter and Schmidt [33] concluded that the employment stability can be achieved through a selection procedure based on ability. Therefore, proper selection practices will determine who is hired and when the best people are selected for the job, organizational productivity and performance increases.

#### ***4.2. Training and Development and Organizational Performance***

According to Bateman and Snell [14], training involves teaching lower-level employees how to perform their present jobs, while development involves teaching managers and professional employees broader skills needed for their present and future jobs. Nabi [34. P. 57] described training and development as “an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees”. The objectives of training, as identified by Armstrong [4] are to develop the skills and competences of employees to improve their performance; to help people grow within the organization in order for the organization to meet its future human resource needs; to reduce the learning time for employees on appointment, transfer or promotion and ensure that they become fully competent. While the objectives of development is to prepare employees for other positions in the organization and increases their ability to move into jobs that may not yet exist; help employees prepare for changes in their current jobs, such as changes resulting from new technology, work designs or customer's preference. Employee development is a necessary effort of a company to improve quality and to meet the challenges of global competition and social change [35].

Dessler [36] argued that developing human capital through continuing training may increase the productive output from each employee either through improvement in skill level or through improvement in morale and job satisfaction. Huselid [37] adds that providing formal and informal training experiences, such as basic skills training, on-the-job training, coaching, mentoring, and management development can further influence employees' development and hence, their performance. Thang and Buyens [38] notes that training and development leads to superior knowledge, skills, abilities, attitudes, and behaviour of employees that eventually enhance organizational performance.

#### ***4.3. Performance Appraisal and Organizational Performance***

Performance appraisal is a formal assessment and rating of individual by their managers at or after a review meeting [4]. In a nutshell, performance

appraisal is the assessment of an employee's job performance. If properly done, it can help employees improve their performance, pay, and chances for promotion; foster communication between managers and employees; and increase the employees' and the organization's effectiveness. Done poorly, it actually can have a negative effect such as diminish performance, cause resentment, reduce motivation and even expose the organization to legal action [14]. A formalized and systematic appraisal scheme will enable a regular assessment of the individual's performance, highlight potential and identify training and development needs. Most importantly, an effective appraisal scheme can improve the future performance of staff. The appraisal scheme can also form the basis for a review of financial rewards and planned career progression [39]. As performance appraisal leads to pay increase, promotion, and training; it is assumed that effective performance appraisal can have impact on organizational performance.

#### ***4.4. Employee Compensation and Organizational Performance***

According to Dessler [15. P. 390], compensation refers to “all types of pay or rewards going to employees and arising from their employment”. Compensation (reward and benefits) management is “concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably, and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with systems (reward processes, practices, and procedures) that aim to meet the needs of both the organization and its stakeholders” [4. P. 736]. He further “posits that the philosophy of reward management recognizes that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to compensate people differently according to their contribution (i.e., the return on investment they generate). Additionally, the philosophy of compensation management recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. The “reward strategies and the processes that are required to implement them have to flow from the business strategy” [4. P. 737]. It is pertinent to say that, employee compensation will be affected by the business and the human resource strategies of the organization, the significance attached to reward/compensation matters by top management and the internal and external environment of the organization. Aswathappa [40] states that compensation is very important for employees because it is one of the reasons for which people work; Employees' living status in the society, satisfaction, loyalty, and productivity are also influenced by the level of compensation. Employee compensation, particularly the performance base compensation system, always resulted in better organizational performance.

#### ***5. How HRM Practices make an Impact***

How Human resource management practices make an impact on organizational performance is summarized in the table below:

Table 1

**HR Practices that Impact on Organization Performance**

<b>HR Practice are</b>	<b>How it Impacts</b>
Attract, develop and retain high quality people	March people to the strategic and operational needs of the organization. Provide for the acquisition, development and retention of talented employees, who can deliver superior performance, productivity, flexibility, innovation, and high levels of personal customer service and who 'fit' into the culture and the strategic requirements of the organization.
Talent management	Ensure that the talented and well motivated people required by the organization to meet present and future needs are available.
Job and work design	Provides individuals with stimulating and interesting work and gives them the autonomy and flexibility to perform these jobs well. Enhance job satisfaction and flexibility which encourages greater performance and productivity.
Learning and development	Enlarge the skill base and develop the levels of competence required in the workforce. Encourage discretionary learning which happens when individuals actively seek to acquire the knowledge and skills that promote the organization's objectives. Develop a climate of learning- a growth medium in which self-managed learning as well as coaching, mentoring, and training flourish.
Managing knowledge and intellectual capital	Focus on organizational as well as individual learning and provide learning opportunities and opportunities to share knowledge in a systematic way. Ensure that vital stocks of knowledge are retained and improve the flow of knowledge, information, and learning within the organization.
Increasing engagement, commitment and motivation	Encourage productive discretionary effort by ensuring that people are positive and interested in their jobs, that they are proud to work for the organization and want to go on working there and that they take action to achieve organizational and individual goals.
Psychological contract	Develop a positive and balanced psychological contract which provides for a continuing, harmonious relationship between the employee and the organization.
High performance management	Develop a performance culture which encourages high performance in such areas as productivity, quality, levels of customer service, growth, profit, and ultimately, the delivery of increased shareholder value. Empower employees to exhibit the discretionary behaviours most closely associated with higher business performance such as risk taking, innovation and knowledge sharing, and establishing trust between managers and their team members.
Reward management	Develops motivation and job engagement by valuing people in accordance with their contribution.
Employee relations	Develops involvement practices and an employee relations climate which encourages commitment and cooperation.
Working environment core values, leadership, work/life balance, managing diversity, secure employment	Develop 'the big idea' (Purcell et al., 2003), i.e., a clear vision and a set of integrated values. Make the organization 'a great place to work.

*Source:* [4. P. 144–145]. *The HR practices that impact on performance.*



## ***6. Research on the Link between HRM Practices and Organizational Performance***

Though most of the studies have been conducted in the western world, it is well established that HRM practices have significant impact on productivity, corporate financial performance, and employee turnover [37; 41; 5; 42; 7] to mention but a few. Singh [10] in a study on 82 Indian firms observed that HR practices such as training and compensation had significant impact on perceived organizational performance. Tessemer and Soeers [43] examined how, when and to what extent HR practices could enhance individual and civil service organization of Eritrea, Africa's youngest and poorest country. They reported that successful implementation of HR practices could enhance individual and civil service organization of Eritrea, but the economic and political environment within which HR practices operate are not conducive. Their study tried to shed some light on the HRM-performance debate within the context of a developing country. Also, Katou and Budhwar [44] through an indepth study on 178 manufacturing firms of Greece found that HR practices such as recruitment, training, promotion, incentives, benefits, involvement, and safety and health were positively related with the elements of organizational performance such as innovation and satisfaction of stakeholders.

Okpara and Pamela [45] examined the extent to which organizations in Nigeria used various HRM practices and perceived challenges and prospects of these practices. Their study reveals the HRM practices, such as training, recruitments, compensation, performance appraisal and reward systems are still in place and that issues of tribalism, training and development, and corruption are some of the challenges facing HRM practice in Nigeria.

Two studies Billahet and Islam [46]. Billah [47], in the context of Bangladesh found that HR practices have significant association with employee turnover and organizational commitment. Through an in-depth study on 85 manufacturing firm in Bangladesh found that HR practices such as recruitment and selection, training and development, performance appraisal, compensation have significant impact on organization performance. Khan [48] examined the effects of HR practices on organization performance in oil and gas industry of Pakistan. His study reveals that HR practices such as recruitment and selection, training and development, performance appraisal, compensation and reward, and employee relations were positively and significantly associated with performance optimizations. Boohene and Asuinura [7] investigated the effect of HRM practices on corporate performance. 460 head office employees of graphic communications group limited were sampled. Their study found that HRM practices such as effective recruitment and selection, effective performance appraisal, effective reward and benefits management, and training and development were positively and significantly related to organizational performance in GCGI. Mutualet reported that HRM practices impact positively on performance of financial corporative based in Nairobi country, Kenya. Ezejiofor [12] through an indepth study on 44 staff of coca cola bottling company in Akwa, Nigeria found that

HRM practices have a significant effect on the performance of business organization. Singh and Kassa [13] study on 169 employees from Debre Brehan University, Ethiopia found that HRM practices such as recruitment and selection, training and development, performance appraisal, and compensation have a significant relationship with university performance.

In line with the literature review, the following objectives and null hypotheses were formulated for the study.

### **7. Objectives of the Study:**

- i. To examine the impact of effective recruitment and selection practices on organizational performance in oil and gas industry in Nigeria.
- ii. To examine the impact of training and development on organizational performance in oil and gas industry in Nigeria.
- iii. To examine the effect of effective performance appraisal on organizational performance in oil and gas industry in Nigeria.
- iv. To examine the impact of effective compensation (rewards and benefits) management on organizational performance in oil and gas industry in Nigeria.

### **8. Hypotheses of the Study**

The null hypotheses were formulated for the study:

H<sub>1</sub>: Effective recruitment and selection practices do not have a positive impact on organizational performance in oil and gas industry in Nigeria.

H<sub>2</sub>: Training and development does not have a positive effective on organizational performance in oil and gas industry in Nigeria.

H<sub>3</sub>: Effective performance appraisal does not a positive impact on organizational performance in oil and gas industry in Nigeria.

H<sub>4</sub>: Effective compensation (rewards and benefits) management does not have a positive effect on organizational performance in oil and gas industry in Nigeria.

### **9. Methodology**

The study examined the impact of human resource management practices on organizational performance, relative to oil and gas industry in Nigeria. The descriptive approach was adopted. To achieve a practical analysis of the issues captured in this study, the population was delimited to the managerial and non-managerial cadre of four oil and gas companies operating, in Nigeria's downstream petroleum sector and the sample of this study was 94 employees drawn from the selected companies. The companies selected because of their established corporate management and employee profile, notable downstream presence and significant market share. The selected companies jointly controlled a significant market share of over 41% between 2016 and 2017. Research survey method through the use of structured questionnaire designed to elicit needed information from the respondents was adopted.

#### ***Reliability and Validity Variables***

For testing the consistency among multiple measurements, cronbach's alpha coefficient was calculated. For this study, we used cronbach's alpha scale as a measure of reliability as shown in table below.

Table 2

## Reliability Statistics of Variables

Scale	Number of items	Cronbach's Alpha
Recruitment and selection	9	.878
Training and development	6	.824
performance appraisal	8	.913
compensation	7	.799
organizational performance	23	.880

*Source: Survey data.*

The Cronbach's alpha co-efficiency for the research instruments was considered to be good and reliable. Experts also judged the face and content validity of the questionnaire as adequate. Hence, researchers satisfied reliability and validity of the scale. Data collected were analyzed using Pearson product moment correlation and t-test analysis.

### 10. Data analysis and discussion of findings

The table 3 shows that the highest correlation is found between organizational performance and recruitment and selection at correlation value of 0.381 and followed by training and development, performance appraisal and compensation at correlations of 0.263, 0.208 and 0.187 respectively. The correlation coefficient matrix table above shows that there is a significant relationship between the HRM practices and organizational performance.

Table 3

## Correlation Coefficient Matrix

		Organizational performance
<b>Recruitment and selection</b>	Pearson correlation	.381**
	Sig. (2-tailed)	.000
	N	94
<b>Training and Development</b>	Pearson correlation	.263**
	Sig. (2-tailed)	.000
	N	94
<b>Performance appraisal</b>	Pearson Correlation	.208**
	Sig. (2-tailed)	.000
	N	94
<b>Compensation</b>	Pearson correlation	.187**
	Sig. (2-tailed)	.000
	N	94

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

Table 4

## T-Test Results

Human resource management practices and organizational performance	Mean	Standard deviation	Standard error of mean	t-value	p-value (two tailed)
Recruitment and selection and organizational performance	5.250	6.625	0.643	8.161	0.000
Training and development and organizational performance	4.624	5.548	0.587	7.879	0.000
Performance appraisal and organizational performance	3.320	4.453	0.489	6.790	0.031
Compensation and organizational performance	-0.718	6.318	0.673	1.067	0.624

*Source: Researchers' fieldwork, 2018.*

The first hypothesis tested the effect of recruitment and selection practices on organizational performance. The t-test gives a positive figure of 5.250. In addition, the probability value (p-value) of the relationship between recruitment and selection and organizational performance is 0.000. This value is substantially smaller than the specified alpha value of 0.05. Thus, this positive significant relationship means that oil and gas industry in Nigeria should always ensure that the best candidate is recruited whenever vacancies arise, thus minimizing employee ineffectiveness and its associated costs. Also, the test of the hypothesis confirms that effective recruitment and selection practices have a positive effect on the performance of oil and gas industry in Nigeria. Therefore, the null hypothesis is rejected [49].

The second hypothesis tested the effect of training and development practices on organizational performance. The t-test gives positive figure of 4.624 and the probability value (p-value) of the relationship between training and development and organizational performance is 0.000. This value is lower than the level of significance. Thus, this positive relationship means that organization should always ensure that the workers go through training and development programmes; they are motivated to apply what they have learnt, and promotions may also be based on long service and on output. Also, the test shows that effective training and development practices have a positive impact on organization's performance. Therefore, the null hypothesis is rejected [49].

In testing the effect of performance appraisal practices on organizational performance, the t-test yields 3.320 and the probability value (p-value) of the relationship between performance appraisal and organizational performance is 0.031. Because the t-test is positive and the p-value is 0.031, lower than the level of significance, it shows that effective performance appraisal practices have a positive effect on organization's performance. The results may be that employees of oil and gas industry in Nigeria are satisfied with the performance appraisal system and therefore will always strive to bring out the best in terms of their contribution to financial performance [49].

The fourth hypothesis examined the impact of compensation management on organization's performance. The t-test yields a result of -0.718 and a p-value of 0.624 which is greater than the alpha value of 0.05. This suggests that it cannot be concluded that effective compensation management has a positive effect on organization's performance. In effect, the research did not observe evidence to support the hypothesis that effective compensation (rewards and benefits) management practices have a positive effect on oil and gas industry's performance. As the review of the literature showed, research has established that although the value of a company's human resource assets may not show up directly on its balance sheet, it nevertheless, has tremendous impact on an organization's performance. This finding attests to the view expressed by Stupet [50] that the relationships between company level performance and human resource management are complex and not always positive. It, however, shows that in both public and private sector organizations, compensation and other

benefits are usually not commensurate with output. It is difficult if not impossible to equate rewards and benefits (compensation) to output [7].

### **Policy recommendations**

Based on the findings of this study, it is recommended that:

i. The management of oil and gas industry should continue to ensure that the human resource policy, which is a result of the organization strategy to use human resource, among others, to achieve outstanding performance every year, is supported. In addition, copies of the HR policy should be made available to all employees to ensure widespread dissemination and application of the policies.

ii. Management should continue to ensure that the recruitment and selection process is and seen to be fair. Management need to have an effective recruitment and selection policy to promote scientific selection of prospective employees. Candidates need to be selected based on requisite knowledge, skills, ability, and qualification using appropriate selection techniques since effective recruitment and selection practices will ensure positive financial returns for the companies, either through ensuring effectiveness on the part of employees, or minimization of costs associated with recruitment and selection, training and retraining of employees.

iii. Management must also ensure that training and management development programmes are implemented to enhance the capabilities of employees. Training and development programmes must therefore be strategically planned.

iv. Performance appraisal should be guided by the performance management policy. Performance related compensation is critical in enhancing performance. Hence, management must ensure that there is a fair balance between financial and non-financial rewards when designing, reviewing and implementing a compensation (rewards and benefits) strategy.

v. Finally, the study focused on oil and gas industry and selected human resource management practices. The research did not gather enough evidence to conclude on the impact of composition management practices on organizational performance. Further studies may be conducted in service sector organizations in Nigeria with larger sample size. Case study, focus groups, and longitudinal studies may also be undertaken.

### **Conclusion**

The objective of the study was achieved as it found that human resource management (HRM) practices had significant effects on organizations of oil and gas industry. It has been found that oil and gas industry performance can be attributed to effective HRM practices. Nigeria's oil and gas industry financial performance could be explained by its effective recruitment and selection practices, effective training and development, and performance appraisal practices. As the review of the literature revealed, research has established that

although the value of a company's human resource assets may not show up directly on its balance sheet, it nevertheless, has tremendous impact on an organization's performance. However, there was insufficient evidence to show that oil and gas industry's remuneration practices contribute positively towards its organization's performance as perceived by the respondents.

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Научная статья

## **Практика управления человеческими ресурсами и эффективность деятельности организации: эмпирическое исследование нефтегазовой отрасли в Нигерии**

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**Аннотация.** Влияние практики управления человеческими ресурсами (HRM) на эффективность деятельности организации в последние два десятилетия являлось предметом научного дискурса в социальных науках. Однако авторы отмечают, что очень мало исследований в этой области было проведено в Нигерии и других развивающихся странах. Данное исследование было предпринято с целью заполнения этой очевидной исследовательской лакуны. Работа основана на применении описательного метода и данных, собранных с помощью опроса 164 респондентов в нефтегазовой промышленности Нигерии. Собранные данные были проанализированы с использованием метода корреляции Пирсона и t-теста. Исследование показало, что существует значительная связь между методами управления персоналом и эффективностью деятельности организации. Как и предполагалось, исследование показало, что практика управления персоналом оказывает положительное и статистически значимое влияние на эффективность организации. Необходимые выводы и рекомендации были предоставлены в свете теоретических и эмпирических выводов. С помощью этого исследования мы надеемся внести вклад в лучшее понимание роли практики управления человеческими ресурсами в создании и поддержании эффективности организации, особенно в нигерийском контексте.

**Ключевые слова:** управление человеческими ресурсами, эффективность деятельности организации, лучшие практики, взаимосвязь, Нигерия

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