

## Human Resource Selection Policy and Employees' job Satisfaction in Nigerian Banks

<sup>1</sup>Chieze, Anthony I.,  
<sup>2</sup>Kabuoh, Margret N.,  
<sup>3</sup>Egwuonwu, Clara O.K. &  
<sup>4</sup>Egbuta, Olive U.

<sup>1,2,3&4</sup>Department of Business  
Administration and  
Marketing, Babcock  
University, Ilishan-Remo,  
Ogun State, Nigeria

### Abstract

Erroneous employment in an organisation could be frustrating to the human resource department and the organisation at large. This could lead to poor productivity and job dissatisfaction by the employees. This study seeks to assess the relationship between human resource selection practice(HRSP) and employees' job satisfaction in Nigerian banks. Information was gathered via research instruments on both respondent bio data and study variables. The total population of the entire management staff in the branches of the ten selected banks in Lagos State was 2015, applying total enumeration, 1,171 respondents returned their questionnaire correctly. The data collected for the study were analyzed using descriptive and inferential statistics, Pearson product moment correlation and multiple regression analysis. The result of the regression analysis came out as  $df = (1712, 1)$ ,  $r = 0.762$ ,  $F = 9.894$ ,  $P = 0.002 < 0.05$ . This indicates a significant relationship between selection policy and employee promotion which leads to satisfaction. The study recommends the need for Nigerian banks to follow due process during recruitment and selection process. This is to maintain corporate integrity of best industry practice, encourages employees' productivity and satisfaction hence reducing staff turnover.

### Keywords:

Human resource,  
Selection policy,  
Employees, Job  
satisfaction and  
Management staff.

Corresponding Author:  
Kabuoh, Margret N.

### **Background to the Study**

The movement of bank workers from bank to bank looking for greener pasture might be due to lack of employees' job satisfaction. This is because Storey (2001) states that an employee voluntarily leaving an employment, in most cases, signifies lack of job satisfaction. Brown and McIntosh (2003) postulate that job satisfaction is a factor that affects employee performance and it is the responsibility of the human resource departments of the banks to ensure that every employee is satisfied with the employment. When an employee is satisfied with his/her job, he/she has less tendency to leave the job. It is not in the best interest of any bank if there is high rate of employee exit because these are workers for which cost has been incurred in training them specifically for their jobs. Trained employees of the banks are important assets of the banks that give competitive advantage to the banks and should not be lost. Banks that want to compete favourably with others should retain and maintain its workers.

Human Resources Management (HRM) has been one of the most powerful and influential ideas to have emerged in the field of business and management during the past twenty-five years (Chaddie, 2001). Policy makers, even at government level, have relied on the idea in order to promote high performance workplaces and human capital management (Salaman, Storey & Billsberry, 2005). Human resource management can be regarded as the philosophy, policies, procedures, and practices related to the management of people within an organization. Senyucel (2009) sees strategic management as a combination of people-centred management practices that recognize employees as assets and geared towards creating and maintaining skilful and committed workforce for achieving organizational goals. Strategic Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through strategic development of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques (Storey, 2001). Bidwell and Keller (2014) state that hiring, promoting, and transferring employees represent equivalent means by which organizations can fill vacant slots with employees. Human resource management could be seen as managing the people that make contributions to the success of an organization, and the term 'human capital' describes the contribution made by human skills and knowledge to the production of goods and services (Chieze, 2016).

### **Statement of the Problem**

Every organization has vision, mission, goals and objectives that are meant to be achieved and actualized. These can only be achieved using resources at its disposal. Human resources (these are the employees of any organization) are the most important assets any organization can own and utilize to achieve economic benefits (Chieze, 2016). They are the resources that make use of other resources of an organization to achieve the aims and objectives of the organization. It implies that for any organization to achieve its aims and objectives, it has to manage its human resources in such a way that they are satisfied with their employment conditions. In the banking industry in Nigeria, non-satisfaction of employees may have resulted to serious employment problems such as high turnover, apathy, employee burn-out, absenteeism, low performance and frauds. When employment conditions do not give positive opportunities to career growth, they may lead to job dissatisfaction.

In Nigerian banks, there are probably cases of high turnover and absenteeism of workers and this may likely have been due to lack of job satisfaction. Workers move from bank to bank in the search of greener pasture. This is a problem that could be attributed to lack of employee satisfaction because an unsatisfied worker is left with no other option than to look out for where he or she would get satisfaction in employment. When the expectations of employees are not met, dissatisfaction may set in and brings negative effects on productivity.

Employee turnover disrupts the flow of a functioning workforce. When an employee leaves an Organization there can be a significant knowledge gap left, creating more work as the remaining team members pick up the pieces. Recruiting and training a new employee requires staff time and money, (Park & Utah, 2013). Employees should be made to be satisfied with their job so that the organizational turnover rate should be reduced and cost on manpower selection and training should be reduced also.

### **Objective of the Study**

The general objective of the study is to determine the relationship between human resource selection policy and employees' satisfaction in the Nigerian banking Industry. The specific objective is to:

Determine the relationship between selection policy and employees' job satisfaction in Nigerian banks.

### **Research Question**

What is the relationship between selection policy and employees' job satisfaction in Nigerian banks?

### **Hypothesis**

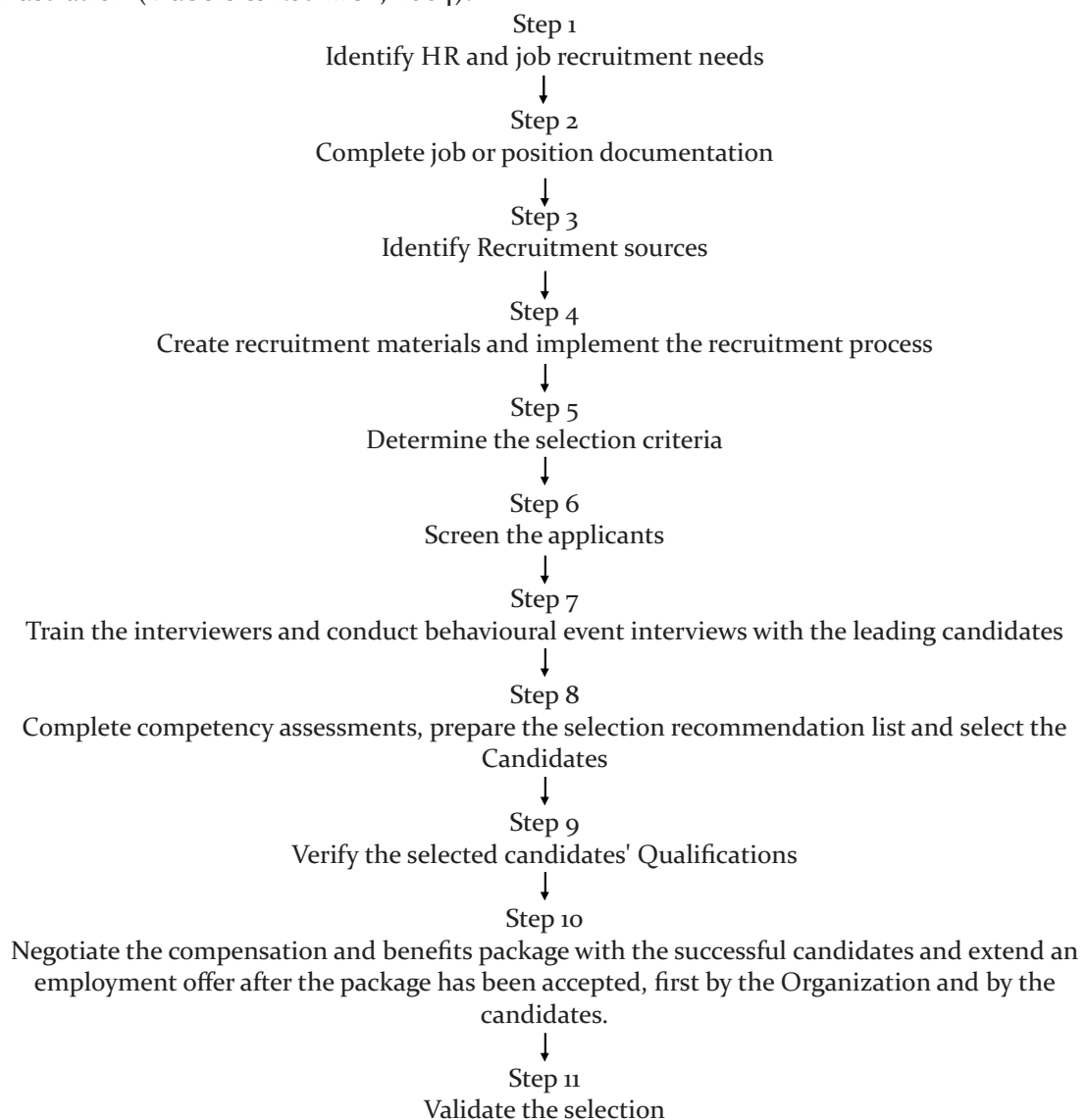
**Ho:** There is no significant relationship between selection policy and employees' job satisfaction in Nigerian banks.

### **Literature Review**

Human resource practice is now strategic and innovative. Ahenkora and Adei (2012) states that strategic HRM is an innovative tool in human resource management that is useful in ensuring effective performance of any organization. It is an approach in management of human capital of any organization. This implies that the necessary human resource needed by an organization has to be well planned in anticipation of the organizational challenges ahead. This will ensure that the mission and objectives of an organization will be well achieved. A well planned human capital makes an organization a high performance work system. In this case, the human resource management unit of an organization must make good strategic human resources plans based on the objectives of an organization. Human resource management is a human management strategy that can be regarded as a combination of people-centred management practices that recognize employees as assets and geared towards creating and maintaining skilful and committed workforce for achieving Organizational goals (Srivastava, Franklin & Martinette, 2013).

Recruitment and selection are used for predicting the potential job performance of the applicants. With the help of such approach, organizations can find the best people to be used in achieving their objectives. Recruitment and selection are of two basic forms such as traditional and competency-based recruitment and selection. The difference between traditional and competency-based recruitment and selection is that the latter concentrates more on formal, measurable competencies while the former is based on other traditional methods.

The process of competency-based recruitment and selection can be shown by the following illustration (Dubois & Rothwell, 2004):



**Fig. 2.1:** Competency-based Recruitment and Selection Steps  
Dubois and Rothwell (2004)

This method of recruitment has so many advantages such as:

It is result-oriented

It eliminates discrimination

It is easier to identify backups for position

It has less traditional training time and employees' performance levels are higher. There are some challenges in this type of recruitment such as: A disciplined approach to job and work analysis is essential so that the preparation for recruitment and selection processes need more time.

### **Employee Satisfaction**

Kumari, Shikdar and Das (2011) are of the opinion that employee satisfaction improves significantly as a result of the presence of the assigned and participative standards with performance feedback in a repetitive industrial production task. Maximum improvement in employee satisfaction is discovered in a situation of the provision of participative standard and feedback condition. Kumari et al. (2011) suggest that monetary incentive, when given with an assigned or participative standard and condition with adequate feedback, provides no incremental employee satisfaction or gain in job attitudes. Kumari, Lawler and Hackman (2011) investigate the belief that organizational executives would rather prefer maximizing their profit instead of investing in employee satisfaction. Kumari et al. (2011), examine how the simplification of many work procedures and processes, in an attempt to improve organizational profit, always results in lack of employees' satisfaction to the disadvantage of employees. They also discover that the breakdown of an employee's job into smaller units has the effect of the job appearing monotonous as well as repetitive and easily replaceable and such creates lasting monotony that kills interest and decrease in employees' morale.

### **Theoretical Review**

#### **Equity Theory**

This theory shows how an individual views fairness in regards to social relationships. During a social exchange, a person identifies the amount of input gained from a relationship compared to the output, as well as how much effort another person puts forth. Equity theory implies that if an individual thinks there is an inequality between two social groups or individuals, the person is likely to be distressed because the ratio between the input and the output are not equal. This can be exemplified in the following way: two employees doing the same job, and one is promoted, the less benefited one becomes distressed in his workplace due to inequality treatment. Huseman, Hatfield and Mile, as well as O'Neil and Mone, (as cited in Ndudzo, 2013) propose three behavioural response patterns to situations of perceived equity or inequity which gives benevolent, equity sensitive and entitled. These affects motivation, job satisfaction and job performance such as:

**Benevolent**:-unsatisfied when they are under-rewarded compared with co-workers

**Equity Sensitive**: believes everyone should be fairly rewarded

**Entitled**: People believe that everything they receive is just what they are due.

This theory specifies the danger in unfair, partial and unequal treatment of employees in the same organization or in the same industry. It creates basis for dissatisfaction among employees. This theory will be adopted in this study because partiality in treating issues of

employees of the same organization brings de-motivation and dissatisfaction in employment. An employee not treated in the same way as others of the same level in the same Organization becomes dissatisfied and loses interest in the employment and then may resort to looking for alternatives.

## Empirical Review

### Relationship with Supervisor and Employment Satisfaction

Brunetto and Farr-Wharton (2002) come up with the conclusion that cordial supervision of immediate manager increases the level of job or employment satisfaction in the public sector employees studied. The productivity of subordinates can be improved with good managerial actions and supervisions. Cordial supervision encourages any employee. The recognition of the achievements by the supervisors can improve employee moral. Okpara (2004) conducts a study on IT managers and has come up with the conclusion that job satisfaction or employment satisfaction among managers can be increased with the help of good supervision

### Nature of Work and Employee Satisfaction

The nature of work employees do in an organization relates to employee satisfaction. Ting (2011) conducts a study on nature of work and comes up with the conclusion that work itself has positive correlation with the satisfaction of employees. Robbins, (2003) refers to the work itself as “ *the extent to which the job provides the individual with stimulating tasks, opportunities for learning and personal growth, and the chance to be responsible and accountable for results*” Jobs matched with the competencies that are mentally stimulating are of interest liked by the employees.

## Methodology

The research design for this study was survey design. Population of the study was made up of all management staff of the branches of the ten selected banks (from the three classes of banks – International, National and Regional banks) in Lagos State of Nigeria. The choice of the banks across international, national and regional classes of banks was based on the fact that each of them had met the minimum capital base as requested by Central Bank of Nigeria (CBN). The total population of the entire management staff in the branches of the ten banks in Lagos State was 2015. This information was as represented in the tabulation below:

**Table 3.1 Selected banks and entire management staff**

Selected banks in Lagos State	Number of Managerial Staff
Guaranty Trust Bank of Nigeria Plc	250
Zenith Bank of Nigeria Plc	242
First Bank of Nigeria Plc	255
United Bank for Africa Plc	222
Access Bank of Nigeria Plc	211
Citibank of Nigeria Plc	110
Ecobank of Nigeria Plc	221
Sterling Bank of Nigeria Plc	169
Standard Chartered Bank of Nigeria Plc	170
Wema Bank of Nigeria Plc	165

Research field survey (2015).

A questionnaire was used as the research instrument for this study. The questionnaire was comprised of a twenty-five-item Likert scale statements which bordered on the human resources selection (HRS) practices specified in this study as well as a twenty-five-item Likert scale statements which focused on the variables of employees' satisfaction and its relationship with the HRM practices. Other Likert scale statements covering multidimensional areas of the subject matter variables were included in the research instrument used. The questionnaire items were grouped into two major parts. Part A was for demographic information from the respondents while group B was for the respondents' perceptions of the relationships between HRS practices and employees' satisfaction. Two thousand and fifteen copies of questionnaire were used to collect field information. In this study, primary data were obtained using questionnaire. The questionnaire was administered to the employees of the banks and collected at the end of the completion period. Secondary data were obtained from various documentary materials including the Nigerian banking journals, magazines, business papers and from the records of HR departments of the banks as well as other related documents. The data collected for the study were analyzed using descriptive and inferential statistics, Pearson product moment correlation and multiple regression analysis.

### What is the relationship between selection policy and employees' satisfaction (promotion) in Nigerian banks?

**Table 1: Independent Variables – HRSP (Selection policy)**

S/N	Statements	SD N (%)	D N (%)	FD N (%)	FA N (%)	A N (%)	SA N (%)	TOTAL N (%)
<b>Selection policy:</b>								
A1	Selection by the bank is very free and fair.	0 (0.0)	219 (12.8)	541 (31.6)	213 (12.4)	404 (23.6)	336 (19.6)	1713 (100.0)
A2	Selection by the bank is based on best qualified.	544 (31.8)	986 (57.5)	183 (10.7)	0 (0.0)	0 (0.0)	0 (0.0)	1713 (100.0)
A3	Selection by the bank is based on experience and qualification.	0 (0.0)	256 (14.9)	897 (52.4)	514 (30.0)	46 (2.7)	0 (0.0)	1713 (100.0)
A4	Selection in the bank is done directly by the bank.	0 (0.0)	3 (0.2)	0 (0.0)	332 (19.4)	760 (44.4)	618 (36.0)	1713 (100.0)
A5	Selection in the bank is done by selection agents that are independent of the management of the bank.	485 (28.3)	891 (52.0)	264 (15.4)	70 (4.1)	3 (0.2)	0 (0.0)	1713 (100.0)

**Source: Generated from field Survey, 2015.**

From Table 1, it can be observed that 760 of the respondents representing 44.4% did not accept that selection by the bank is very free and fair while 953 which form 55.6% of the respondents accepted that selection is free and fair. All the respondents (1713), 100.0% of them, rejected that selection by the banks is based on best qualified candidate. Consequently, 1153 of the respondents representing 67.3% of the respondents did not accept that selection by the bank is based on experience and qualification but, 560 of the respondents representing (32.7%) accepted that selection by the banks is based on

experience and qualification. 1710 which is 99.8% of the respondents accepted that selection in the banks is done directly by the banks. Furthermore it was observed that 1640 which form 95.7% of the respondents rejected that selection in the bank is done by selection agents that are independent of the management of the bank. However, 73 of the respondent which constitute (4.3% of the respondents) accepted that independent selection agents are used for selection.

**Table 2: Dependent Variable –Employees' Satisfaction-(promotion)**

S/N	Statements	SD N (%)	D N (%)	FD N (%)	FA N (%)	A N (%)	SA N (%)	TOTAL N (%)
<b>Employees' Satisfaction (Employee Promotion):</b>								
A1	Employees are promoted as at when due.	0 (0.0)	3 (0.4)	1001 (58.4)	651 (38.0)	58 (3.4)	0 (0.0)	1713 (100.0)
A2	Promotion in your bank is based on performance and without bias.	0 (0.0)	192 (11.2)	1068 (62.3)	431 (25.2)	22 (1.3)	0 (0.0)	1713 (100.0)
A3	Appraisal as a promotional technique is used to determine performance in your bank.	0 (0.0)	78 (4.6)	670 (39.1)	804 (46.9)	161 (9.4)	0 (0.0)	1713 (100.0)
A4	Appraisal as a promotional technique in your bank is done at regular interval.	592 (34.6)	853 (49.8)	253 (14.8)	9 (0.5)	6 (0.4)	0 (0.0)	1713 (100.0)
A5	Employees in your bank are satisfied with the appraisal as a promotional technique because it is done in a fair and free manner.	194 (11.3)	946 (55.2)	378 (22.1)	195 (11.4)	0 (0.0)	0 (0.0)	1713 (100.0)

**Source:** Generated from field survey, 2015

**Employees' Satisfaction (Employee Promotion)**

From Table 2, it can be observed that 1004(58.8%) of the respondents did not accept that Employees are promoted as at when due while 709(41.2%) accepted that Employees are promoted as at when due. Consequently, majority 1260(73.5%) of the respondents rejected that Promotion in their bank is based on performance and without bias those that accepted that Promotion is based on performance and without bias are 453(26.5%). Furthermore, 748(43.7%) rejected the statement that appraisal as promotional techniques is used to determine performance. Consequently, among the respondents 1698(99.2%) rejected and 15(0.8%) accepted that appraisal as promotional technique in the bank is done at regular interval. Apart from the 195(11.4%) that accepted that employees in the bank are satisfied with the appraisal because it is done in a fair and free manner. Most of the respondents 1518(88.6%) rejected that Employees are satisfied with the appraisal because it is done in a fair and free manner.



**Table 3: Model Summary Table on Selection Policy and Promotion**

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	Sig. F Change
1	0.762	0.581	0.581	1.125	0.581	9.894	9.894

a. Predictors: (Constant), Selection

**Table 4: Anova Table on Selection Policy and Promotion**

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.511	1	12.511	9.894	.9894
	Residual	2163.564	1711	1.265		
	Total	2176.075	1712			

a. Predictors: (Constant), Selection  
b. Dependent Variable: Promotion

**Table 5: Coefficients on Promotion**

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std Error	Beta			
1	(Constant)	15.024	.206	.076	72.923	0.000
	Selection	-.042	.013		-3.145	0.002

a. Dependent Variable: Promotion

From Table 5.,  $b_0$  intercept when regression line crosses Y axis (Constant) is 15.024 when  $X = 0$ . Hence, the following equation result was obtained:  
Employee Satisfaction (Promotion) = 15.024 -  $b_1$ 0.04

These are unstandardized coefficients because they are measured in their natural units. The estimated coefficient model shows that, the estimate of model parameter is consistent with prior expectations for  $b_1$ .

The result of the regression analysis came out as  $df = (1712, 1)$ ,  $r = 0.762$ ,  $F = 9.894$ ,  $P = 0.002 < 0.05$ . In addition the coefficients (parameter estimate) of  $b_1$  (0.04) is predicted, holding other variables constant. This indicates a significant relationship between selection policy and employee promotion. Thus Selection policy will induce a corresponding increase in employee promotion going by the result. Consequently, the overall statistical significance of the independent variables reliably predict the dependent variable (significance is indicated by p Values less than  $\alpha$  (0.05). That is selection policy can reliably predict an effect on the dependent variable (Employee Promotion).

In testing the hypothesis it can be observed that Selection has a significant effect on Employee Promotion ( $p = 0.002 < 0.05$ ). Based on the result we reject the null hypothesis, following statistical test of significance, that there is no significant relationship between selection policy and Employee satisfaction (Promotion) in Nigerian banks in favour of the alternative hypothesis.

### **Conclusion**

The study has shown that human resource practices have significant effect on employees' job satisfaction in the industry. Human resource selection practices that are well organized could give job satisfaction to employees. Using the measuring variables, the study has indicated that recruitment policy has significant effect on employees' promotion.

The findings of this study have identified human resource selection functions as predictors of employees' job satisfaction which improve organizational performance in the industry. It has actually displayed how the practices of human resource Unit of any organization are very important in improving the organizational performance. Good practices of human resource management functions are an asset beneficial to the organization. It determines the fate of employees in the industry.

### **Recommendations**

The following recommendations are made based on the findings and conclusions of the study:

1. The banking industry in Nigeria will do better if its selection policy is regularly reviewed for improvement so as to ensure employees' job satisfaction in the banks. This could reduce employee turnover in Nigerian banks. It will also improve banking performance in the country.
2. There is need for Nigerian banks to follow due process during recruitment and selection process. This is to maintain corporate integrity of best industry practice.
3. Staff motivation is important to those that have contributed and added value to the organizational profitability.

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