

The Impact of Strategic Integration of Human Resource Management Practices on Organizational Performance: Some Evidence from Nigeria.

Dr. Amaeshi Uzoma Francis

Abstract

This study investigates the impact of strategic human resource management practices on performance of Nigerian organisations. A multi-respondent survey of companies was undertaken and data collected were derived from questionnaires completed by 225 human resource managers from 186 out of 195 organizations listed on the Nigeria stock exchange that have implemented performance management systems. The survey was subjected to regression and correlation analysis as well as descriptive statistics in pursuance of the study's stated objectives. The questions used to measure the concepts were developed on the basis of the literature and their content was validated by twenty managers. Organizational performance was measured through a set of questionnaire that we developed based on previous studies. The internal reliability of the scales varies from .77 to .90. The results show that strategic human resource management practices affect performance of organizations generally and that recruitment and selection practices if strategically integrated with business in Nigeria will positively lead to organizational performance. Our findings also show that majority of enterprises in Nigeria had a **LOW** level of recruitment and selection strategic integration in business strategy formulation and implementation. We recommend that more strategic elements of human resource management practices be integrated into the performance management system to increase competitiveness and the survival of Nigerian organizations.

Key words: *Strategic human resource management, Organizational performance, Human Resource Management, Strategic integration, Recruitment and selection*

Introduction

1.0. Background of the study

Organisations worldwide are under pressure today to continually improve their performance. The major trends behind these competitive pressures are globalisation, advances in information technology, and

increasing deregulation of global markets (Becker & Gerhart, 1996; Rodwell et al, 2004). These changes have a strong impact on a country's ability to maintain its competitiveness. Without an efficient workforce organisations lose their ability to compete, both locally and internationally, eventually leading to poor organisational performance and thus ending up with little or no economic success (Jing et al, 2005).

Unlike in the past when natural resources, technology, and capital used to be the key factors to determine the competitive advantage of the firms of one nation over the other nations, human resources today have become the most important resource for firms to obtain strategic advantage over other competitors. This is because managers in both the public and private sector organisations regard the human resources of their organisation as the major source of sustaining competitive advantage by having the 'best of the best' Human resource systems in place for recruiting, selecting, motivating, and efficiently managing their people (Hussey, 2010). As a result of these changes in the global economic environment business strategy, the field of human resource management is rapidly changing more than ever today.

Recent researches on human resource management (HRM) show strong and positive relationship between its practices and organisational performance (Anderson et al, 2004). Therefore, it is vital for managers to have a better understanding of the role of HRM in order to create successful organisational performance. Human Resources Management (HRM) has a very important facilitative and strategic role in organizational success. Several financial and non-financial performance measures of an organization are positively related to its levels of HRM Strategic Integration (HRMSI).

The corporate and professional communities' interest and recognition of the significance of Human Resource Management (HRM) practices gained momentum after realization of the fact that it is the people who make organizations successful not the buildings. At present the need for HRM is felt enormously, in order to ensure that the business units are able to accomplish organizational objectives through people. Organizations have always aimed at a sound HRM system for success. However, very few companies could establish separate autonomous HRM departments, owing to affordability,

fear or a lack of understanding of the worth and contribution of HRM activities.

For more than ten years, a great deal has been written about the key role that human resources can play in acquiring a competitive advantage. Human resource management activities would become strategic if the organization's philosophy, policies, programs, practices, human resource management processes and strategic needs were systematically linked (Budhwar, 2000).

Nowadays, it is a common belief in the business world that the human resources of an organization can be a source of competitive advantage, provided that the policies and practices for managing people are integrated with strategic goals and objectives. Strategic human resource management (SHRM) emphasizes the importance of establishing congruence between human resource policies and organizational strategic goals. Moreover, with regard to horizontal integration, some researchers maintain that organizations that succeed in linking the human resource management Systems, making them complementary, will be in a better competitive position and will surpass their competitors' organizational performance (Jing et al, 2005).

Two types of integration have been proposed in the literature: first, vertical integration, which requires that human resource management Systems be vertically linked with strategic management; and second, horizontal integration, which implies that human resource management Systems (staffing, compensation, etc.) be co-ordinated and coherent with each other while supporting the strategy. Full vertical integration must be achieved at the operational level (the micro level), that is, in actions that are directly under the supervisions control.

Many authors have maintained that strategic human resource management be directly linked to organizational performance. However, despite the increasing popularity of SHRM; there have been very few systematic evaluations of the claims that it is linked to performance and doubts remain as to its theoretical foundations.

Human resources management requires professional skills. According to a recent survey, we found out that most human resource managers do not have perfect knowledge and related required ability thereby causing society to have erroneous understanding of human

resource management practices. While the calibre of candidate is determined by the value of the recruitment process, the selection decision remains a difficult one. Most mistakes are caused by the fact that managers generally give little thought to the critical nature of the decisions. Employers are surprised and disappointed when an appointment fails, and often the person appointed is blamed rather than recognizing the weaknesses in the process and methodology, even the soundest of techniques and best practice (in selection) contain scope for error. Some of this is due to the methods themselves, but the main source is the frailty of the human decision makers.

This problem can be particularly examined through answering the research main question: ***How does strategic human resource management implementation affect organisational performance in Nigeria?***

1.1. Justification for this study

Much of the research for evidence of the link between SHRM and organisational performance has focused on intermediary performance indicators such as absenteeism, commitment, customer satisfaction and innovation (Brewster 1992; Budhwar et al, 1997; Bird et al, 2005). There is a need for research to focus on bottom-line indicators such as return on equity and profitability as HRM is under pressure from top management and senior managers to quantify added value to the bottom-line when HR managers join the senior management team (Huselid, 1995).

One major aspect of human resource management is ***recruitment and selection***. Recruitment and selection is the process of attracting individuals on a timely basis, in sufficient numbers and with appropriate qualifications. Following the initial selection of incumbents they are likely to be chosen to develop their further interest in the organisation and later to encourage them to apply for other jobs. Using appropriate techniques the suitable candidates are thus, able to be recruited and selected during their career development (Crawford 2004). It has been argued that in order for the firm to build and sustain the competitive advantage, proper staffing is critical (Wright et al, 1991, Boxall 2003).

Recruitment and selection is a major HRM function as it encompasses all organisational practices and

decisions. To effectively face the new challenges recruitment and selection needs to be integrated with business strategies (Lam & White 1998). This is the foundation of human resource management (HRM) practices and its integration to business is critical to achieve organizational strategic goals. However, little research has to date examined strategic integration in this specific human resource (HR) practice, and, therefore, little is known about the level and application of recruitment and selection strategic integration.

This research analyses recruitment and selection as one of the HR practices from the gamut of entire HRM processes and evaluates the flaws that exist in its effective implementation in organisational setup in Nigeria. Although there is wide recognition of the significance of the integration of HRM with business strategies, little research has been devoted on how recruitment and selection strategic integration happens and what might be its effects on organisational performance (Budhwar 2000; Shen 2004).

Recruitment and selection strategies flow ultimately from the organisation's mission and strategic objectives (i.e. the strategies and processes of recruitment and selection must be compatible with business strategies) (Nankervis et al, 2002). Social scientists argue that through the integration with business strategies, recruitment and selection help achieve strategic goals and enhance organisational performance (Becker et al, 1996; Youndt, et al. 1996, Lewis 2003).

Over the last thirty years or so, the amount of research on recruitment and selection has increased dramatically. Despite this increase, recent reviews (Rodwell et al, 2004, Wright, et al. 2005) of the literature have revealed that past studies mainly focused on the exploration of recruitment and selection practices adopted by the enterprise and not on its relationship to business strategy and performance.

Literature has shown that this study is novel in Nigeria. Most research on recruitment and selection has been conducted in Western contexts, mainly in the United States (Brebaugh et al 2000; Wright, et al. 2005). The task of research in developing economies, such as Nigeria with considerably different cultural and institutional nuances, is likely to have a profound impact on benchmark HRM practices. For instance, at the macro level organisations tend to be similar with respect to socio economic aspects, while at the micro

level they differ from each other due to cultural differences (McCaughey et al, 1999). Empirical evidence shows that strategic HRM practices vary significantly between countries, (Betcherman, et al. 1994, Guest 1997, Schuler et al, 1999). Therefore, there is a pressing need to conduct research on recruitment and selection strategic integration and its effects on organisational performance, particularly in the developing nation of Nigeria.

The conceptual framework building from this research is important as Nigeria is beginning to impact global internationalisation theory (Niosi et al, 2009). Moreover, such research would add to the knowledge base of the strategic human resource management (SHRM) literature. The positive results of foreign studies on strategic human resource management, and the interest of renowned thinkers and researchers in this field will enable Nigerian organisations to be competitive.

Within the last two decades, there have been a number of important contributions in the literature dealing with issues pertaining to the management of people. Significant attention has been directed towards human resource management (HRM), which many have been seen as representing a distinct approach to managing people (Guest, 1997).

Interestingly, although researchers have highlighted the holistic nature of HRM, much of the initial research into the concept focused on a limited range of issues and has been criticized as 'micro analytic' (Delery et al, 1996). However, in the last decade, researchers have sought to show the importance of HRM in influencing organizational performance and it is from this premise that the current interest in strategic human resource management has developed (Cappelli et al, 1996). These past studies have explored the linkage of specific HRM functions, particularly staffing practices to organisational performance.

However, relatively the contributions of recruitment and selection to organisational performance have been less researched (Terpstra et al, 1993). Moreover, these previous studies have not examined the effects of the strategic integration between recruitment and selection and business. As a result, little is known about whether the extent of recruitment and selection strategic integration is positively related to organisational

performance measured by a range of financial and non financial indicators.

Consequently, this study investigates the level at which recruitment and selection practices integrate with business strategies and the relative effects of different levels of such strategic integration on organizational performance in different organizations in Nigeria. The integration of HRM and business strategy is possible by the ‘fit’ of human resources through a variety of HRM practices including recruitment and selection in accordance with the business needs (Legge 1995, Budhwar 2000).

Therefore, there is a set priority for organisations to have recruitment and selection strategically integrated with business strategies. The common obstacle in the lack of recruitment and selection strategically integrating with business generally revolve around issues of poor planning and control, resulting in unrealistic timelines, unidentified problems, poor coordination and a lack of monitoring and control. Attaining strategic integration of recruitment and selection with business strategy is a desirable achievement that requires resolution of these common obstacles.

1.2. Problem Statement

A common problem in recruitment and selection in Nigeria is poor HR planning. Recruitment and selection forms a core part of the central activities underlying human resource management: namely, the acquisition, development and reward of workers. It frequently forms an important part of the work of human resource managers – or designated specialists within work organizations. However, and importantly, in Nigeria recruitment and selection decisions are not often taken by the line managers for good reasons but are taken by non-specialists occasioned by external influences. It is common knowledge in Nigeria that selection of workers occurs not just to replace departing employees or add commitment to a workforce but rather aims to put in place workers who cannot perform at high levels.

According to Anderson et al (2008), a range of methods, such as application forms, interviews, formal tests, references, assessment centres and official transcripts are used by firms in the selection process. A firm needs to choose a method that is most appropriate to the job positions. HR experts generally drive the staffing process and the purpose of the staffing is to

fulfil the requirements of business, and the skill levels presented by each new recruit is likely to be judged better if the line managers are involved in the recruitment and selection process. In Nigeria, people get recruited into organisations anyhow by the “Nigerian factor”.

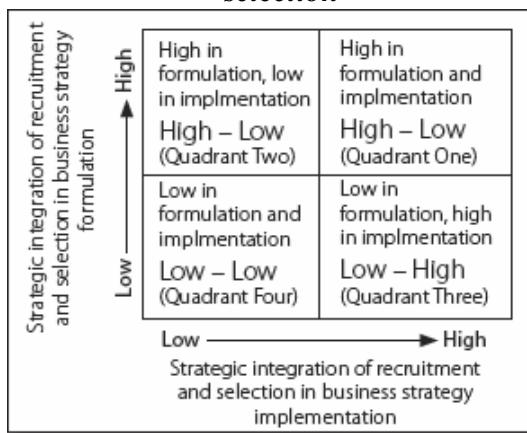
1.3. Limitations of this study

Human Resource Management is the Department where the access of outside researchers is very restricted because of their company secrets and selection procedures. So, finding out the gaps and exploring the recruitment and selection of the HRD practices is a difficult procedure. To find the results for best practices is to get knowledge from the different organizations and companies and from their employees. One limitation identified in this study is the use of single informant which in this case is HR managers or executives responsible for HR matters. When you get the knowledge from the employees about their own organization they will not give you the negativity information about their Organization. Therefore, this study was unable to elicit the relevant information for objective analysis of the problem.

1.4. Assumptions

The level of strategic integration of recruitment and selection of a firm is positively correlated with its level of organisational performance (Breaugh et al, 2000). It is assumed that the level of recruitment and selection strategic integration occurs in four distinctive ways. Representation of this notion can be presented in a framework of integration in strategy formulation and strategy implementation, which range from high to low values. A quadrant matrix of the different levels of recruitment and selection strategic integration is shown as Figure 1.

Figure 1
Matrix of strategic integration of recruitment and



In quadrant one, high recruitment and selection strategic integration in both strategy formulation and implementation is depicted as High-High.

In quadrant two high recruitment and selection strategic integration in strategy formulation and low integration in strategy implementation are shown as High-Low.

In quadrant three, low recruitment and selection strategic integration in strategy formulation and high integration in implementation is depicted as Low-High.

Finally, in quadrant four, low recruitment and selection strategic integration in both strategy formulation and implementation is presented as Low-Low.

Organisations would prefer to have recruitment and selection practices which have a high level of strategic integration with business. It is assumed that a higher level of recruitment and selection strategic integration is a result of better HRM practices, which subsequently results into higher organisation performance.

We assume that strategic integration of HRM is positively correlated with organisational performance. To test this assumption, we postulate that the lack of integration of the strategy's basic elements (vision, values, key factors of success, strategic objectives) into the micro level (strategic, vertical and operational integration), that is, into daily management practices, would explain the limited impact of structural alignment on organizational performance, which has been emphasized in empirical studies. Our assumption is that the adoption of certain strategic human resource management policies is likely to result in increased organizational performance.

Thus, our aim in this study is to verify the extent organizational performance can be predicted by the integration of strategic elements (strategic, vertical and operational integration) into the daily practices of performance management. Our purpose is to examine the impact of Strategic Human Resource Management (SHRM) implementation on organizational performance in Nigeria.

1.5. Research Questions

In particular, this study addresses the following two sub questions.

1. How can recruitment and selection practices strategically integrated with business in Nigerian enterprises positively lead to organisational performance?
2. How can strategic human resource management practices significantly impact on performance of Nigerian organisations?

1.6. Objectives of the Study

This study investigates the level at which recruitment and selection practices strategically integrate with business and the relative effects of different levels of such strategic integration on organisational performance. The main objectives of this study are:

1. To find out whether recruitment and selection practices if strategically integrated with business in Nigerian enterprises will positively lead to organisational performance
2. To ascertain whether strategic human resource management practices significantly impact on the performance of Nigerian enterprises.

In order to achieve the objectives designed for this study, the following research hypotheses are stated in their null form based on the revelations in the review of literature concerning SHRM practices and firms' performance.

Hypothesis One:

Recruitment and selection practices strategically integrated with business in Nigerian enterprises do not positively lead to organisational performance.

Hypothesis Two:

Strategic human resource management practices do not significantly impact on organisational performance of Nigerian organisations.

2.0. Literature Review

2.1. Introduction

Human Resource Management (HRM) is the function within an organization that focuses on recruitment and selection and providing direction for the people who work in the organization. It is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. It is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. HRM is moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. It is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. The new role of HRM involves strategic direction and HRM metrics and measurements to demonstrate value.

Rapid environmental change, globalization, innovations to provide competitive products and services, changing customer and investor demands have become the standard backdrop for organizations. To compete effectively, firms must constantly improve their performance by reducing costs, enhancing quality, and differentiating their products and services. To improve firm performance and create firm competitive advantage, HR must focus on a new set of priorities.

These new priorities are more business and strategic oriented and less oriented towards traditional HR functions such as staffing, training, appraisal and compensation. Strategic priorities include team-based job designs, flexible workforces, quality improvement practices, employee empowerment and incentive compensation. Strategic human resource management was designed to diagnose firm strategic needs and planned talent development which is required to implement a competitive strategy and achieve operational goals (Huselid et al., 1997).

Researchers in the areas of Human Resource Management (HRM) seeking to emphasize the importance of effective functioning of organizations have developed the concept into Strategic Human Resource Management (SHRM). To this end, many

authors have maintained that strategic human resource management is straightforwardly linked to organizational performance and there is a preponderous of opinion that high-performing work organizations pay special attention to adopting particular HRM policies and linking these to the strategies of their organizations.

Rigorous HR planning translates business strategies into specific HRM policies and practices. The key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost (Breaugh et al, 2000; Anderson, et al 2008; Hussey 2010).

Detailed and robust recruitment and selection policies, such as recruitment and selection procedures, assessing criteria, talents auditing and processing the information about the labour market are important in recruiting and deploying appropriate employees at the right time (Breaugh et al, 2000). Past research shows that the competency level of HR managers has a major influence on recruitment and selection and experienced HR experts within the HR department will not only shorten vacancy duration, but also improve the quality of the applicants. Moreover, effective recruitment and selection is possible only if there is a dedicated and competent HR team (Golden et al, 1985; Buller 1988, Truss et al, 1994).

Recruitment and selection also has an important role to play in ensuring worker performance and positive organizational outcomes. There is, therefore, an important sense in which it is the responsibility of all managers, and where human resource departments exist, it may be that HR managers play more of a supporting advisory role to those people who will supervise or in other ways work with the new employee.

2.2. Nature of Strategic Human Resource Management

Strategic Human Resource Management implies a managerial orientation that ensures that human resources are employed in a manner conducive to the attainment of organizational goals and mission. The concept of Strategic Human Resource Management (SHRM) evolved in the 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Schuller, 1999).

Strategic HRM focuses on several issues including the fit between human resource management practices and organizational strategic goals, the integration of human resource management in the organizational strategic management, the involvement of human resource function in senior management teams, the devolution of human resource practices to line managers and taking of strategic approach to employee selection, compensation, performance appraisal and the value that is added to the organizational performance by HRM. It has also been defined as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals (Wright et al, 2005).

The latter definition highlights the two important dimensions that distinguish SHRM from traditional HRM. It links HR practices with the strategic management process of the firm vertically and horizontally and it emphasizes that HR practices are integrated and they support each other. In other words, the definition of strategic human resource management represented by the degree of participation in core decision-making and partnership undertaken by HRM departments, and the specificity and formality that HRM departments require in planning and implementing, all of that, to ensure that firm human capital contributes to achieving firm business goals.

2. 3. Theoretical Framework and Study Variables

Based on a systematic review of the literature on recruitment and selection practices, we developed a conceptual framework of recruitment and selection strategic integration which indicates the factors contributing to strategic integration and employed an innovative method to measure the extent of strategic integration using dichotomous scales. Further, the extent of recruitment and selection strategic integration was linked to organisational performance. Different from most past studies that have only examined single performance indicators, this study investigates recruitment and selection strategic integration on comprehensive indicators of both financial and non financial performance.

The burgeoning interest in strategic human resource management has not been matched by the development of appropriate theoretical constructs for the concept (Guest, 1997). Indeed, researchers have criticized the underpinning theoretical foundations of strategic human resource management and many have called for the

formulation of a theory of strategic human resource management (Dyer, 1985). Two major reasons account for this criticism. The first is that the concept of HRM, from which strategic human resource management originated, has itself been subjected to extensive criticisms for its poor theoretical framework (Legge, 1995). The second, and perhaps more important reason, is that researchers have approached the field of strategic human resource management from a variety of perspectives with little acknowledgement of the differences within them and no attempt has been made to identify the common threads in the perspectives (Delery et al, 1996). Such an understanding is important to enable an assessment of the viability and adoption of the concept.

In an extensive review of the literature, Delery et al (1996) identify three categories of researchers and the perspectives that they have adopted in theorizing strategic human resource management. They tag the first group of researchers 'universalists' largely because of their interest in identifying 'best practice' 'strategic human resource management policies. Delery et al, 1996) note that ``these researchers . . . posit that some human resource practices are always better than others and that all organizations should adopt these best practices." It is within this perspective of theorizing in strategic human resource management that the present interest in developing 'high performance work practices' is located (Osterman, 1994; Kochan et al, 1993).

The second strand of theorizing identified by Delery et al (1996) comprises those researchers adopting a contingency approach. In keeping with the early foundation of the contingency perspective within organizational theory, these researchers argue that the success of HRM policies is contingent upon the achievement of a match between human resource policies and other aspects of the organization. Researchers adopting this perspective have demonstrated that different human resource policies may be required at different stages in an organization's life cycle (Bird et al, 2005).

Delery et al (1996) identified a third group of strategic human resource management theorists as adopting a 'configurational' approach and noted that this approach is more complex and consists of researchers who seek to `` . . . identify configurations, or unique patterns of

factors, that are posited to be maximally effective." This category of researchers are also said to approach their subject from a more theoretical perspective and many of the phenomena they identify may not necessarily be empirically observable.

A consistent theme in all three theoretical perspectives of strategic human resource management is the assumption that strategic human resource management is linked to organizational performance. However, while the literature is rich with claims that both HRM and strategic human resource management are linked to performance, there is little empirical evaluation of this and the theoretical foundations upon which these links are based have been described as inadequate (Guest, 1997). Accordingly, a better understanding of the role of the implementation of strategic human resources management in creating and sustaining organizational performance and competitive advantage should be achieved through further theoretical development and empirical evidence (Jing et al, 2005).

2.4. Strategic Impact Management Model

According to Nag et al, (2007), strategic impact management is a process for developing, established and mature organizations to reach strategic objectives through continual evaluation and assessment of current operations. By identifying business strategies and developing performance based guidance, organizations realize short term benefits and long term objectives. Policy review and analysis of standard operating procedures results in a series of measurements that are categorized into strategic units.

Researchers categorize organizational structures and their definitions of the categories are driven by the organizational structure and strategic objectives of management. Categorization allows the organization to measure performance across the organization, strategic business units, departments, or projects. The information collected is scaled to the needs of the organization and the historical data provides insight into seasonal trends, quality of resources and systems, and employee performance evaluations.

The Strategic Impact Management Model is an innovative approach for comprehensive integration of strategic leadership. Best practices from strategic management, financial management, human resource management, operations management, project

management, and risk management create the foundations for success. The methods and tools employed create a culture of self-actualization and ownership for the overall success of the organization.

Development of strategic organizational objectives translates into refined policy decisions at all levels of the organization. Continual process improvement and process monitoring facilitate early detection triggers and escalation of issues at every stage of organizational maturity.

Statistical techniques within the Strategic Impact Management Model are designed for monitoring and evaluation between projects, departments, or strategic business units regardless of organizational structure, financial resources, or geographic location.

The Strategic Impact Management Model is the nucleus for the next wave of cultural changes for organizations striving to increase bottom-line results through improved efficiencies at all levels within their financial statements.

2.5. HRM and Organisational Performance

2.5.1. Human Resource Management

Armstrong (2006) defines Human Resource Management as, "a strategic and coherent approach to the management of an organization's most valued assets (people) who individually and collectively contribute to the achievement of its objectives.

On the other hand, Delery et al, (1996); Wright, (2005) assert that "Human Resource Management means the policies, practices and systems that influence employees' behaviour, attitudes and performance".

Furthermore, Anderson et al, (2008) while agreeing Delery al (1996) and Wright (2005) found strong supportive influence between six critical HRM practices in achieving success above average sector performance relationship, over a 10 year period. These HRM practices are:

Recruitment and Selection,
Management Education,
Training and Development,
Performance Appraisal,
Remuneration and Rewards and
Company-wide Career Planning

2.5.2. Recruitment and Selection Strategic Integration

Budhwar (2000), Bennet et al (1998), and Shen (2005) suggest that HRM strategic integration should be examined both in strategy formulation and strategy implementation phases of a business. Strategy formulation is concerned with making decisions with regard to an organisation's mission, vision and short term and long term objectives and plans, while strategy implementation is concerned with aligning the organisation structure, systems and processes to achieve the business strategy (Johnson et al, 1999).

2.5.3. Strategic Integration in Strategy Formulation

HR strategy provides guidance for the formulation and implementation of recruitment and selection policies and practices. Past studies have identified a number of indicators of HRM strategic integration. They include: human resource (HR) input into the business strategy through formal and informal consultation channels (Budhwar 2000), written HR strategy (Shen 2005), HR planning with a clear set of programmes and policies to implement the HR strategy (Shen 2005), and the existence of the HR department and HR expertise (Bennett et al, 1998, Wright et al, 2005, Shen 2005). These ranges of indicators are applicable to HRM practices and are equally applicable to recruitment and selection strategic integration.

The presence of the HR head is a formal mechanism of consultation, which ensures HR's strategic input into business at the highest level (Shen 2005). Recruitment and selection related information, such as the HR availability and its cost, can be crucial for business strategy formulation. Shen (2005) argues that labour market related issues often affect multinationals' decisions on overseas direct investment. Budhwar (2000) points out that the existence of the written HR strategy helps interpret business strategies into HRM policies and practices.

2.5.4. Strategic Integration in Strategy Implementation

According to Clake et al, (2006), the quality of new recruits depends upon an organization's recruitment practices, and that the relative effectiveness of the selection phase is inherently dependent upon the calibre of candidates attracted. The more effectively the recruitment stage is carried out, the less important the actual selection process becomes. When an organization makes the decision to fill an existing vacancy through

recruitment, the first stage in the process involves conducting a comprehensive job analysis.

This may already have been conducted through the human resource planning process, particularly where recruitment is a relatively frequent occurrence. Once a job analysis has been conducted, the organization has a clear indication of the particular requirements of the job, where that job fits into the overall organization structure, and can then begin the process of recruitment to attract suitable candidates for the particular vacancy

However, Wright et al (1991); Nankervis et al, (2002); Boxall et al (2003) posit that in strategy implementation, the extent of recruitment and selection strategic integration can be gauged through four distinctive indicators. These indicators are: the timely supply of an adequately qualified workforce, effective job analysis and descriptions, effective selection, and the involvement of line managers in the recruitment and selection practices. They argue that a key source of uncertainty in the business strategy implementation is whether there is a timely supply of adequate qualified people, and to a great extent this uncertainty involves the quality of employees. For instance, a firm might decide to leverage a different human capital pool in terms of skills and education level than its rival firms as a competitive strategy even within the same industry to develop specific capabilities or to develop a HR process advantage. They conclude that an organisation can successfully eliminate this uncertainty if its recruitment and selection policies and practices are strategically integrated with business.

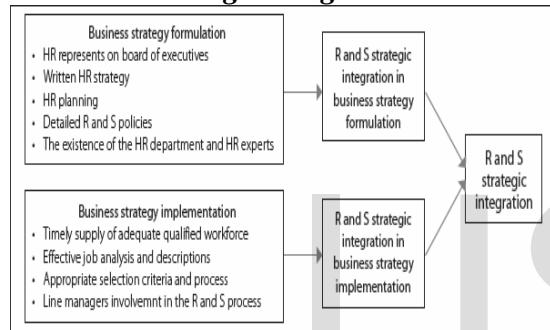
On the other hand, Anderson et al (2004) argue that effectively conducting job analysis and targeting right potential candidates ensures a good match between applicants and the jobs. Their argument is that under-qualified employees may not be able to effectively perform their job positions due to lack of knowledge and competencies, while over- qualified employees tend to experience less job satisfaction due to their higher qualification than a desired level for a given job.

Budhwar (2000); Johnson et al (2002) support this argument adding that for every job in the organisation, a thorough job analysis, which includes job description and job specifications, is necessary and based on this, an appropriate selection criteria is vital. The job description provides indications of the duties to be

undertaken, and the job specification usually prescribes relevant personal qualities and attitudes as well as skills and knowledge required for the job.

Crawford (2004) supports this suggesting that in business strategy implementation, the involvement of line managers in the entire staffing process (drafting of job descriptions, setting selection criteria and being on the panel of recruitment) is vital for ensuring recruitment and selection to meet business needs. In other words, the line managers are the owner of the recruitment and selection process along with HR playing a facilitator role. Figure 2 depicts the framework, which summarises the indicators of recruitment and selection strategic integration.

Figure 2- A framework of recruitment and selection strategic integration



Note: R & S is recruitment and selection

2.5.5. Organisational Performance

Anderson et al, 2008 define ‘Organisational Performance’ as, “a measure of how well organizations are managed and the value they deliver to customers and other stakeholders”. However, Budhwar (2000) says it is the organisation’s ability to achieve its objectives efficiently and effectively. Hussey (2010) says Organisational Performance represents the value of the organisation in terms of the total contribution made by the efficient and effective management of its human resources. In his research, Crawford (2004) strongly posits that organisational performance is composed of five major critical components as follows: Motivation Models, The Leadership, The Organizational Culture and Environment, The Work Design, and The Human Resource Management Policy.

2.6. Relationship between HRM and Organisational Performance

According to Rodwell et al (2004), the traditional role of HRM in organisations was mainly to support the

operations through managing people to win the employees’ organisational commitment to the goals of the organisation.

In consequence, HR managers had to strictly comply with the detailed procedures of personnel administration which drove the ways in which the organisations handled their human resource activities.

However, Anderson et al (2008); Hussey (2010) argue that the key HRM activities included in this regard are: recruitment, selection, performance measurement, training and development, and administration of compensation and rewards. In addition to performing these HRM activities HR managers have to create value for the organisations in which they work.

Anderson et al (2008) say that today’s HRM focuses heavily on the organisation’s successful outcomes through the integration of the various HR functions but Wright et al (2005) in their study strongly suggest that human resources determine an organisation’s success in overcoming major challenges facing executives today: “globalisation, value chain for business competitiveness and HR services, change, attracting and retaining intellectual capital”. Together these major challenges require that HR practices create and add value that can be measured reliably. They conclude that today’s top performing companies pay extraordinary attention to managing effectively the HR dimensions which affect employee behaviours: “morale, motivation, attitude, commitment, etc and that each of these HR dimensions plays powerful part in determining organisational success.

Consequently, these research findings show that modern HRM practices such as ‘High-Involvement Work Systems’ (HIWS), ‘High Performance Work Systems (HPWS)’, and ‘High Commitment Management’ have a strong and positive influence on organisational performance (Kamoche, 2010). Delery et al, (1996) assert that, “the methods used by an organization to manage its human resources can have a substantial impact on many organizationally relevant outcomes.” The efforts of Pareek (2004); Bird et al, (2005) strongly indicate that there are positive links between HRM practices and organisational performance.

Empirical studies conducted by Khatey et al, (2011) corroborate the above findings by assessing the

relationship between a set of HRM practices – High Performance Work Systems, which included: “extensive recruitment, selection, training procedures, formal information sharing, attitude assessment, and job design”) and organisational performance of “968 large companies” showing that there is a positive relationship between HRM and successful organisational performance. The key organisational performance measures used to evaluate the high performance HRM practices in the empirical studies included: labour productivity, financial performance, and turnover.

Likewise, research study conducted by Terpstra et al (1993) shows that five key HRM selection practices are linked to business profit. In his review of the key empirical studies on the relationship between HRM and organisational performance, Guest (1997) writes that these studies investigated the impact of specific HR practices on specific successful organisational outcomes. For example, effective HR practices in training and compensation were related to business turnover, labour productivity, and organisational performance. Guest’s (1997) review summarised that the empirical studies were based on the assumption that efficient use of human resources through best HR practices would lead to successful organisational performance.

Again, Delaney et al (1996) investigated the effects of recruitment and selection, compensation, training and development, decision making, complaints and grievance procedures, promotion practices, and the combined synergetic impact of these HRM practices in 590 for-profit and not-for-profit companies. Overall, their study concluded that these progressive of HRM practices were positively associated with firm performance.

Becker et al, (1996), identified six core components of “strategic and universalistic” HRM best practices that are strongly related to organisational performance. These 6 core components of HR best practices are: “Recruitment; Selection; Compensation; Employee Participation; Internal Labor Market; and Training”

Likewise, Pfau et al (2002); Jing (2005); Bird et al (2005); strongly agree with the six high performance HRM best practices put forward by Becker et al, (1996) as having strong links to organisational performance. Each of this high performance HRM best practices offer

options for the HR professionals to choose the appropriate ones for enhancing the organisational performance suggesting that each of these HRM best practices form “an integrated high performance HRM system”.

2.7. Approaches to Examine HRM and Organisational Performance Relationship

Literature identified two major fundamental approaches to study the relationship between HRM and organisational performance. These are termed as: ‘Best-Practice’ approach, and ‘Best-Fit’ approach.

‘Best-Practice’ Approach

According to Boxall et al (2003), the ‘best-practice’ approach claims that HRM practices are universalistic and thus any organisation can obtain enhanced organisational performance by adopting the HRM best practices for managing people in any organisational context.

‘Best-Fit’ Approach

On the other hand, Brewster et al, (2003) posit that ‘best-fit’ approach argues for a ‘vertical fit’ whereby the HRM systems are integrated with the corporate strategy of the organisation for obtaining improved organisational performance within a specific organisational context.

Between these two approaches, the ‘best-practice’ approach is considered to be superior by HRM professionals and researchers for examining the impact of HRM practices on organisational performance (Bird et al (2005)).

2.8. Cautions in Examining the HRM and Organisational Performance Relationship

Although there is wide support to the idea that HRM practices lead to improved organisational performance yet there are some cautions that have to be observed (Becker et al, 1996). Huselid (1997), states that successful organisational performance has been obtained by high-performance firms who were able to afford expensive HRM systems and practices that may not be affordable to most other firms arguing that leadership style could have a stronger impact over the deployment of HRM practices due to the different types of influences which the leaders can exert on their people.

Arguing from public sector organisations, Venkatraman (2006) says that evaluating organisational performance is not easy and this is further compounded by the fact that measurement of organisational performance in the public sector has not been developed in the organisation theory literature. This is primarily because of the following factors that are unique to public sector organisations: Lack of well-defined objectives and large number of multiple objectives; Central administration; Absence of “generally accepted performance indicators” for measuring organisational performance; Diffused and largely fragmented responsibility because of the interdependency of the performance of the public sector organisations leading to difficulty in extracting accountability.

Evidence from the review of the limited literature available on organisational performance in the public sector organisations show that the three most common major indicators (the other not common indicators are: relevance, and efficacy) of organisational performance used in the frameworks provided by the various researchers are: Efficiency, Effectiveness and Innovation

2.9. Strategic Integration and Organisational Performance

Integration of HRM refers to the involvement of HRM in the formulation and implementation of organizational strategies and the alignment of HRM with the strategic needs of an organization (Schuler et al, 1999).

There is extensive literature that examines the relationship between SHRM and organisational performance (Arthur 1994, Huselid 1995, Delery et al 1996, Youndt, et al. 1996, Cappelli et al, 1996; Guest 1997; Huselid et al 1997; Ichniowski et al, 1997; Pfau et al, 2002; Wright, et al. 2005). The findings generally show that SHRM has a positive impact on organisational performance metrics such as production productivity, profits, stock prices, quality levels, market value, shareholder returns, employee productivity, employee turnover and customer alignment.

McCaughey (1999); Chadwick et al (2001) argue that in order for HR to be a strategic partner, HR managers should be involved in strategic decision making alongside other senior managers, providing greater opportunity to align HR goals, strategies, philosophies

and practices with corporate objectives and the implementation of business strategy. This involvement would include the membership of HR managers in the most senior management teams in the organization.

This would provide an opportunity for HRM to represent its concerns and influence business strategy from the outset of decision making. The chances of integration and value creation may be further increased if the senior HR manager and the CEO have an opportunity to establish a relationship. In this role, HR managers need to have knowledge of core markets, competitors, costs, profit indicators and stakeholders to be considered equal business partners. The involvement of a senior HR manager in a firm's senior management team provides an important channel for interactive information flow and communication.

However, some empirical evidence from previous research indicates that the full impact of HR practices on organizational performance occurs when HR practices are strategically congruent and consistent with each other. The position of Budhwar (2000); Wan (2002); Khatri (2011); Hussey (2010) is that to achieve strategic integration and alignment of HRM with business strategies, a documented HRM strategy would also be useful as it can make more concrete the role and authority of HR managers in corporate decision making and increase capacity to cope with externalities such as a tight labour market. A documented HRM strategy helps the organization to develop an HRM vision and objectives and to monitor performance.

2.10. Issues from literature review

The above review of available literature shows that HRM best practices is distinctly composed of recruitment and selection, training and development, compensation and rewards system, information sharing, and employee participation. Organisational performance can be measured through the successful organisational outcomes in the form of efficiency and effectiveness, customer satisfaction, service quality, and labour productivity.

Therefore, this study looks at strategic human resource management methodologies and examines the hypothesis that organizations that implement strategic human resource management approach achieve higher performance than organizations that do not. This research focuses on this issue and will add to the body

of knowledge about the effect of strategic human resource implementation on firm performance.

11	Agriculture	05	
	Total	195	

3. Research Methodology

3.1. Introduction

In order to examine this level of strategic integration and analyse the subsequent impact of such integration on organisation performance in Nigeria, the research methodology that follows has been adopted. Clearly, our methodology is designed to establish high and low parameters in both strategy formulation and implementation so as to arrive at the answer to the research questions.

3.2. Design

We used the commonly used survey method for data collection with standardized measurement tools. The design was a descriptive study which used both quantitative and qualitative tools. To differentiate the strategic human resource management implementation level in the targeted organisations, we designed a questionnaire based on the definition of strategic human resource management. Additionally, we used objective and subjective variables to measure organizational performance.

3.3. Population of the study

A large survey of Nigerian organisations was conducted from January to May 2013. A total of 195 companies listed on the Nigeria stock exchange were targeted for this study. The respondents for the survey were the HR functional head of the organisations, and most often a director or manager. The selection of these respondents was based on the belief that they are experts in HRM and have overall knowledge of HR processes, and at the same time it was assumed they have a detailed knowledge of the business processes.

Table 1a

Nigeria Stock exchange listing /distribution of Organizations by sector

	<i>Nigeria Stock exchange listing of Organizations by sector</i>	<i>Number of companies</i>	
1	Consumer Goods	29	
2	Financial Services	57	
3	Services	21	
4	Industrial Goods	24	
5	Oil & Gas	14	
6	Conglomerates	06	
7	Natural Resources	05	
8	Construction/Real Estate	12	
9	ICT	12	
10	Healthcare	10	

Table 1b
Responding Company profiles

Org	No	HRM Response		Rate %	No of staff
		No	Resp.		
CG	29	45	42	16.22	997
FS	56	47	40	15.44	872
S	20	16	12	04.63	689
IG	23	13	10	03.86	783
OG	13	28	24	09.27	567
C	05	09	09	03.47	65
NR	04	06	04	01.54	59
C/R	11	21	18	06.95	958
ICT	11	12	11	04.25	411
H	09	32	30	11.58	840
A	05	30	25	09.65	788
Total	186	259	225	86.87	7029

Table 1c
Organizational characteristics

Org type	No of listed coy	HRM stren gth		Age of orgs.	staff (no.)
CG	29	45	42	997	
FS	57	47	29	872	
S	21	16	13	689	
IG	24	13	10	783	
OG	14	28	08	567	
C	06	09	02	65	
NR	05	06	03	59	
C/R	12	21	32	958	
ICT	12	12	18	411	
H	10	32	21	840	
A	05	30	14	788	
Total	195	259			7029

Note: CS-Consumer goods; FS-Financial services; S- Services; IG- Industrial goods; OG- Oil and gas; C- Conglomerates; NR- Natural resources; C/R- Const. & real estate;

**ICT- Information Communication Tech;
H- Healthcare; A- Agriculture;**

Within the set of respondents 88 were not usable due to missing data.

3.4. Procedure

We sent e-mails to all 195 organisations listed on the Nigeria stock exchange. We equally made follow-up telephone calls to their corporate headquarters. These follow-up calls enabled us to identify 9 organisations that did not have a formal HR function, leaving 186 eligible companies for the study. The 186 companies returned completed questionnaires, a company response rate of approximately 95.38%.

Nonetheless, from our secondary data procedure, a total of 259 human resource managers were identified. Anonymous questionnaires were mailed to all of them, accompanied by a covering letter and reply paid envelope.

Follow-up phone calls were made two weeks after the initial mail-out in an effort to increase the response rate and to verify that the company had a HR department or function. Table 1a and 1b depict the responding company profiles and certain descriptive statistics. Despite the relatively small population size, this is a typical response rate for mail surveys to managers.

In terms of managerial seniority, most respondents reported being either senior (44%) or middle (30%) managers. The majority of managers (61%) were based in the firms' HRM Department.

Mean firm size, as measured by the number of full-time equivalent employees was 7,029. Due to severe positive skewness, this variable was transformed in subsequent analyses. Oil & gas sector accounted for 8.07% of the population.

The services industry sector accounted for another 22.21% (this included organizations in financial services, retail stores, food preparation and entertainment), with a further 13.63% in construction and real estate and 56.09% in 'other' industries, including a wide variety of miscellaneous industries from power distribution to information technology.

3.5. Measures

The items of the questionnaire were developed on the basis of literature review and studying some previous questionnaires. For better understanding of the relationships among variables, we explored the relationships of dependent, independent, and control variables. In this study, two types of performance measurement were collected. The first type includes the opinion of the respondents concerning rate of organisational performance over a time frame. The second type was the sales growth and profit growth.

3.5.1. Dependent Variable

Organisational performance is the dependent variable and is measured by three financial and three non financial measures as follows:-

1. Market share
2. Sales growth
3. Profit growth
4. Employee productivity
5. Employees satisfaction
6. Employees turnover rate

Each of the study variables was measured on a five point scale, where 'one' represents 'not improved' to 'five', which represents 'improved to a great extent'.

3.5.2. Independent Variables

There are nine constructs of independent variables, five variables identified for determining business strategy formulation, and four for business strategy implementation. They are:

1. HR represents on board of executives
2. Written HR strategy
3. HR planning
4. Detailed recruitment and selection policies
5. The existence of the HR department and HR experts
6. Timely supply of adequate qualified workforce
7. Effective job analysis and descriptions
8. Appropriate selection criteria and process
9. Line managers involvement in the R and S process

A Numeric scale was used as the response format for the variables, with assigned values ranging from 1 to 5 where 1 is mildly affecting and 5 is a serious cause of concern.

3.5.3. Control Variables

Organisational characteristics such as size which is the number of employees, age of the organisation, HR department strength (employees' strength within HR

function), and type of industry were used as control factors.

3.6. Administration of Instruments

For this research, a comprehensive questionnaire was designed incorporating data needed with its operational definitions, selecting appropriate format of response and assessing its validity and reliability.

The questionnaire method is chosen for this research to provide an opportunity for making a specific response for a specific type of industry segment. Choice of a mail based questionnaire response method for this research depended on a balance of research objectives and constraints. The questionnaire was piloted after the draft was constructed.

A set of questionnaire was prepared with open – ended as well as close ended questions. The purpose of using questionnaire was to identify and assess the effectiveness of the recruitment and selection practices of the different organizations.

The questions were designed to make the purpose of the study successful. Copies of the questionnaire were distributed to respondents at work places and the questions were explained to them thoroughly.

After some time, the researcher went back and collected the answered questionnaire. This instrument gave expected information about the recruitment and selection procedures or practices.

3.7. Data Collection

Primary and secondary sources of data were used in conducting the research.

3.7.1. Primary Sources

In order to collect reliable and valid information, we contacted employees of the Human resource department of the various organisations by mail.

3.7.2. Secondary Sources

The sources of the secondary data include books, internet search, articles, and journals among others. This helped to identify how others have defined and measured key concepts; the data sources that others used and how this research relates to other studies.

4.0. Data Analysis

We presented data collected in tables and charts for easy and quick interpretations and used descriptive statistics (mean, standard deviation), ANOVA, multivariate analysis for data analysis with Statistical Package for Social Sciences (SPSS) software. Five main statistical procedures were employed to evaluate the data.

First, cross tabulation statistics of dichotomous scale responses with chi square test statistics to determine the level of strategic integration.

Second, a bivariate correlation was undertaken between scores of recruitment and selection strategic integration in both business strategy formulation and implementation.

Third, a series of one way ANOVA were run to test the mean differences between variables of recruitment and selection in formulation and implementation on organisational characteristics.

Fourth, a group statistics and independent sample t-test for statistical significance were performed to establish strategic integration of recruitment and selection on both strategy formulation and strategy implementation dimensions and its effects on organisational performance measures.

Last, organisations which score more than the average on the summated scales for recruitment and selection strategic integration in strategy formulation and in strategy implementation are then measured for scaling organisational performance.

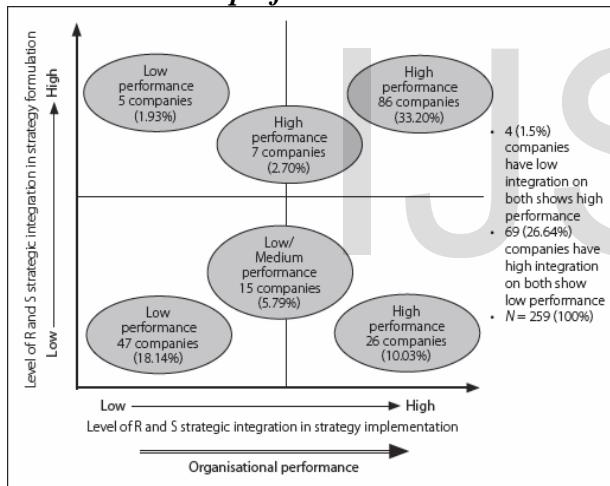
A two by two cross table with chi square tests was performed for each performance measures and for overall performance.

A reliability analysis was performed for all scales. The Cronbach's alpha for the five variables of recruitment and selection strategic integration in business strategy formulation is 0.9 and for the four variables of recruitment and selection strategic integration in business strategy implementation is 0.82, which is well within the acceptable reliability range. The scale of the variables for integration has five items ranging from low integration to high integration.

To arrive at the two levels of integration as low and high, the five item scale is required to convert into the two item dichotomous scales (i.e., one as high or zero as low-medium integration). Organisations scoring more than four on the five items are allotted a score of one and those scoring three or less are allotted a score of zero. The organisations scoring closer to the score of one will have the higher level of strategic integration in business strategy formulation as well as in implementation and vice versa.

For measuring the effect of recruitment and selection strategic integration on organisational performance, a cross tabulation using a stepwise method is then adopted to partition all organisations in high or low performance variables and then to relate with the strategic integration levels of cross tabulation results (figure 3).

Figure 3
Matrix of strategic integration and organisational performance



Note: * (NS) Non Significant.

The original items for performance measures have been divided into two item dichotomous scale: one with high performance or zero with low-medium performance.

Organisations scoring more than four on the these items are allotted a score of one as high performance and those organisations scoring three or less are allotted a score of zero meaning low-medium performance. Thus, the closer the score is to one the higher the performance level.

5.0. Results

The first research question asked to what extent recruitment and selection strategically integrates with

business in the Nigerian context. Table 2 shows the result that falls unequally into four groups.

In particular, 68.89 per cent ($n = 155$) of the organisations depict low, and 7.55 per cent of the organisations ($n = 17$) registered high level of integration of recruitment and selection in both strategy formulation and implementation.

Table 2
Cross tabulation of strategic integration

Level of recruitment and selection strategic integration in business strategy implementation	Recruitment and selection strategic integration in business strategy implementation		Total
	Low	High	
Recruitment and selection strategic integration in business strategy formulation	Count	155	20
	% of total	68.89	8.89
	Count	33	17
High	% of total	14.67	7.55
	Count	188	37
	% of total	83.56	16.44
Total		225	100.0

8.89 per cent of the organisations ($n = 20$) have a high level integration of recruitment and selection in strategy formulation and have a high level integration in strategy implementation.

A total of 14.67 per cent of the companies ($n = 33$) have a high level of integration of recruitment and selection in strategy formulation and low level of integration in strategy implementation.

The results of Table 2 indicate that the majority of the companies in Nigeria have a **low** level of recruitment and selection strategic integration in both strategy formulation and implementation.

To answer research question 1, a bivariate correlation is undertaken between the scores of recruitment and selection strategic integration.

The correlation coefficient output confirms the results of the scatter plot given in Figure 3 and it shows that a significant positive relationship exists between

recruitment and selection strategic integration at both formulation and implementation dimensions ($r = .564$, $p < .05$).

The second research question was concerned with how human resource management practices affect performance of Nigerian organisations.

Table 3 shows a mean response on each performance measure on high and low – medium between recruitment and selection strategic integration in strategy formulation and in strategy implementation.

Table 3
Group statistics and independent t-test

Strategic integration measure	Performance measure	Scale of performance	N	Mean	Standard deviation	p <
<i>R and S in strategy formulation</i>		Low – Medium	134	3.46	0.915	.000
		High	125	3.85	0.804	
<i>R and S in strategy implementation</i>	Market share	Low – Medium	134	3.57	0.760	.000
		High	125	4.00	0.741	
<i>R and S in strategy formulation</i>	Profit growth	Low – Medium	149	3.43	0.917	.000
		High	110	3.95	0.740	
<i>R and S in Strategy Implementation</i>		Low – Medium	149	3.57	0.791	.000
		High	110	4.06	0.667	
<i>R and S in strategy formulation</i>	Sales growth	Low – Medium	130	3.36	0.940	.000
		High	129	3.94	0.715	
<i>R and S in strategy implementation</i>		Low – Medium	130	3.54	0.779	.000
		High	129	4.02	0.701	
<i>R and S in strategy formulation</i>	Employee satisfaction	Low – Medium	167	3.38	0.909	.000
		High	92	4.14	0.566	
<i>R and S in strategy implementation</i>		Low – Medium	167	3.57	0.803	.000
		High	92	4.16	0.560	
<i>R and S in strategy formulation</i>	Employee productivity	Low – Medium	156	3.40	0.928	.000
		High	103	4.02	0.656	
<i>R and S in strategy implementation</i>		Low – Medium	156	3.53	0.799	.000
		High	103	4.17	0.562	
<i>R and S in strategy formulation</i>	Employee turnover rate	Low – Medium	227	3.62	0.906	0.103
		High	32	3.84	0.667	* (NS)
<i>R and S in strategy implementation</i>		Low – Medium	227	3.74	0.792	0.011
		High	32	4.06	0.619	
<i>R and S in strategy formulation</i>	Financial performance	Low – Medium	134	3.40	0.942	.000
		High	125	3.92	0.725	
<i>R and S in strategy</i>		Low – Medium	134	3.51	0.783	.000
		High	125	4.07	0.662	

Table 3
Group statistics and independent t-test

Strategic integration measure	Performance measure	Scale of performance	N	Mean	Standard deviation	p <
implementation						
<i>R and S in strategy formulation</i>		Low – Medium	212	3.55	0.899	.000
<i>R and S in strategy formulation</i>	Non financial performance	High	47	4.11	0.634	
<i>R and S in strategy implementation</i>	Low – Medium	212	3.69	0.794	.000	
<i>R and S in strategy implementation</i>	High	47	4.17	0.564		
<i>R and S in strategy formulation</i>	Low – Medium	157	3.39	0.930	.000	
<i>R and S in strategy formulation</i>	Overall organisational Performance	High	102	4.04	0.612	
<i>R and S in Strategy Implementation</i>	Low – Medium	157	3.52	0.781	.000	
<i>R and S in Strategy Implementation</i>	High	102	4.19	0.576		

The results of table 3 show that 33 per cent of the companies ($n = 86$) registered high level of organisation performance, while 18 per cent of the companies ($n = 47$) showed the lower performance with respect to the level of strategic integration in both formulation and implementation, while less than two per cent of companies ($n = 5$) registered low performance and ten per cent of companies ($n = 26$) registered a high performance despite one of the two levels of strategic integration in formulation and implementation is either low or high.

On the other hand, eight per cent of companies ($n = 22$) registered high performance with one of the integration parameters high, and comparatively the other low. Thus, the results indicate that, in a majority of the companies, which have an overall high level of strategic integration of recruitment and selection in both strategy formulation and implementation there is higher organisational performance. It also indicates that the companies which have lower level of recruitment and selection strategic integration in both strategy formulation and implementation have lower organisational performance.

Table 4 presents values for levels of strategic integration and organisational financial performance.

Table 4
Corresponding level of strategic integration and performance

Level of organisation	Performance	Level of Recruitment and selection strategic integration	Low on implementation	High on implementation
Financial performance	High	High on formulation	5	96
		Low on formulation	12	12
	Low – Medium	High on formulation	15	59
		Low on formulation	39	21
Non financial performance	High	High on formulation	1	41
		Low on formulation	1	4
	Low – Medium	High on formulation	19	114
		Low on formulation	50	29
Overall organisational performance	High	High on formulation	5	86
		Low on formulation	4	7
	Low – Medium	High on formulation	15	69
		Low on formulation	47	26

The results show that 37 per cent of the companies ($n = 96$) had high performance rate and 15 per cent of the companies ($n = 39$) have low performance. While considering non financial performance 15 per cent of companies ($n = 41$) achieved high and 19 per cent of companies ($n = 50$) achieved low performance. All the performance parameters for financial and non financial, including market share, profit growth, sales, employees' satisfaction, employees' productivity, except for employees' turnover rate, the median scores are high and test statistics are significant. The results show for over all high performance as $\chi^2(1, 102) = 11.624$, $p < .05$, and for low performance as $\chi^2(1, 157) = 35.382$, $p < .05$. This assessment is to check whether high integration results in high performance or low performance and vice versa. The distribution is given in Table 4. The Pearson chi square value is 69.286 with a significance level well below the alpha level of .05 and is, therefore, significant ($\chi^2(1, 259) = 69.286$, $p < .05$). The minimum expected cell frequency is 23.03, which

is > 5 , and, therefore, it has not violated one of the main assumptions of chi square.

Given that the Levene's test has a probability greater than .05, the population variances are relatively equal. To answer the research question 2, employing a t-value, df and two tail significance for the equal variance is estimated to determine whether strategic integration differences exist and its effect on organisational performance. The two tail significance for recruitment and selection strategic integration in both strategy formulation and implementation indicates that $p < .05$, and, therefore, is significant for all the performance measures except employee turnover rate which is given in Table 3. Thus, the hypothesis is supported, and the two groups, therefore, have come from different population because of the significant difference.

6.0. Discussion

Results show that recruitment and selection strategic integration is positively related to market share, sales growth, profit growth, employee productivity and employee satisfaction. This study, therefore, lends support to past studies, such as Arthur (1994), Delery et al (1996), Youndt, et al. (1996), Huselid, et al. (1997), Ichniowski, et al. (1997), Harris et al, (2001) and Pfau et al, (2002) that evident the positive relationship between SHRM and organisational performance. We found out that employee turnover is not significantly associated with recruitment and selection strategic integration.

This finding is not surprising as past studies suggest that employee turnover is mainly caused by the prospect of alternative employment, job dissatisfaction, a lack of recognition of employee contribution, a lack of organisational support in training and development and work life balance Rowley et al, (2002); Pareek (2004); Clarke et al, (2006). We contend that this study develops a better understanding of how strategic integration in a specific HRM function (recruitment and selection) affects organisational performance.

After controlling the firms' characteristics, including size, age, industry and HR strength, recruitment and selection scores of both strategy formulation and implementation are in the expected direction and all coefficients are highly significant except for employees' turnover rate. Furthermore, the extent of organisational performance with each of the recruitment and selection

strategic integration level in both strategy formulation and implementation dimensions exhibits a two percentage distribution dichotomy score. All performance measures except for employees' turnover rate are positively correlated with the level of recruitment and selection strategic integration. Therefore, the hypothesis is generally confirmed.

7.0. Conclusion

This study explores the effects of different combinations of recruitment and selection strategic integration in business strategy formulation and implementation on organisational performance through the use of dichotomous scale.

The study contributes to the SHRM literature by investigating the extent to which recruitment and selection integrates with business strategy and the relative effects of different levels of such strategic integration on organisational performance. A salient conclusion is that majority of the investigated Nigerian enterprises tended to have low levels of strategic integration in recruitment and selection. This finding indicates that there is lack of robust HR input into business strategies, although business strategies are generally interpreted into HRM policies and practices in Nigerian enterprises.

Also, a high level of strategic integration in business strategy formulation is often accompanied with a high level of strategic integration in business strategy implementation. This finding can be explained in a way that when HR strategy and policies are driven by business strategies they tend to be implemented to meet strategic needs.

Our research findings have significant implication for practitioners. The conceptual framework developed in this study was tested to show the indicators of recruitment and selection strategies integration in both business strategy formulation and business strategy implementation. Business organisations can relatively easily translate them into questions to assess and improve the level of recruitment and selection strategic integration and put them to use.

Using the same approach, but modifying indicators, business organisations can assess and improve the level of strategic integration in other HRM functions or overall HRM, and consequently, improve organisational

performance. Thus, in order to increase employee retention it is important that enterprises need to pay more attention to other HR issues, such as recognition, personal development and work life balance.

This study identifies avenues for future research. We assessed only recruitment and selection; therefore, further research may examine strategic integration in other HRM areas. Further research may consider using multiple sources to increase data credibility. Moreover, socio cultural factors as well affect SHRM practices in different national contexts hence cross cultural research is needed in order to draw a general conclusion on the relationship between HRM strategic integration and organisational performance indicators.

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