

The Impact of Human Resource Management on Employee Performance: Case Study of Nation Pensional Scheme Authority (Napsa), Zambia

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Abstract: *Research Aim:* The general objective of the study was to determine the influence of human resource management on employee performance at NAPSAs of Zambia. *Methodology/ Design/ Approach:* The procedural framework within which the research is conducted is referred to as research methodology. The study adopted a mixed method research design and the two sampling techniques that were employed are snowballing and convenience-sampling techniques. *the deductive approach was used in the study. Findings:* The study revealed significant relationships with all the combined variables employee skills and training, employee engagement and employee perception on employee performance.

Keywords: Employee Performance, Employee Engagement, Employee Skill, Employee Perception

1. Introduction

The study will begin with the study background that will give a brief background of the problem statement. Furthermore, the study will present the research problem statement, research objectives, research questions, scope of the study and study limitations. The proposal will also highlight the significance of the study under review which is the impact of human resource management practices (employee's skills, employee engagement and employee perception engagement) on employee performance. Human resource management practices can inspire employees to work toward the achievement of the organization's vision, mission, objectives, and goal targets. Human resource management (HRM) practices have the potential to have an impact on the behavior of employees. The impact of human resource management practices on employee commitment and performance is dependent on how policies are perceived and evaluated by the employees. Workplace performance and productivity improve as a result of improved employee skills, increased employee engagement, and improved workplace perception.

2. Problem Statement

A highly motivated workforce focused on productivity, quality, quantity, and dedication results in high employee performance. To achieve the organization's goals, employees must be motivated to perform their duties. (Ferris, Rosen, & Barnum, 1995) considered many factors when evaluating employee work performance. For example, an employee's productivity is determined by how well they produce the desired quality and quantity of work. Another way to assess an employee's performance is to assess their problem-solving skills. Meeting deadlines and other time-sensitive goals is another indicator of an employee's effectiveness.

Despite the fact that human resource management has been extensively studied, very few studies have evaluated its impact on employee performance in Zambian pension financial institutions. The relationship between strategic

human resource management and employee performance in the pension sector is not well understood. So, this study aims to bridge that gap. This study will examine the impact of HRM strategies on employee performance.

General Objective

The general objective of the study is to determine the influence of human resource management on employee performance at National Pension Authority of Zambia.

Specific Objectives

- 1) To examine the influence of employee skills on employee performance at NAPSAs.
- 2) To analyze the effect of employee perception on employee performance at NAPSAs.
- 3) To assess the impact of employee engagement on employee performance at NAPSAs.

Research Questions

- 1) What is the influence of employee skills on employee performance at NAPSAs?
- 2) How does employee perception influence the performance of staff at NAPSAs?
- 3) What is the influence of employee engagement on employee performance at NAPSAs?

Scope of the Study

The study was conducted among the staff of National Pension Scheme Institution in Zambia. The major goal is to highlight the main factors on employee performance through strategic human resource strategies at all levels of the organization, including top, middle, and bottom management.

Significance of the Study

Management of various firms would be interested in learning about the various elements that influence employee performance). Employees in various organizations will need to understand what is required to accomplish their jobs in order to excel and improve organizational performance. The findings and results of this study will be useful in guiding future research gaps that will be discovered.

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3. Literature Review

Human resource management exists solely to improve staff individual and collective performance. Companies must devise policies and procedures to ensure employees use their skills to their full potential (Armstrong, 2005). Performance is an important component in making human resource decisions. Thus, the success or failure of any organization is determined by its employees' work performance. As a result, this section will present several studies related to the topic. The past literature has studied the impact of human resource management on employee performance.

Masood (2010) studied 274 HRM experts from 129 firms in five industries: Banking, Insurance, Leasing, Modaraba, and Investment. Beer et al. (1984) used the Harvard model to help identify domains. The study focused on recruiting and selection, training and development, performance appraisal, career planning, employee participation, and compensation. The results showed that all HRM practices linked positively with perceived organizational and personnel performance, but none connected significantly with financial performance.

In Kenya Power, Nairobi West Region, Mwaniki and Gathenya (2015) studied the impact of HR functions recruiting and performance contracting on organizational performance through reduced power outages, increased customer base, and higher revenue. A questionnaire was given to the respondents, and the results revealed that 46.7 and 47.8% of them agreed that power outages had decreased steadily over the research year, and that customer base had increased. 33.7 % strongly agreed that revenue levels had increased throughout the research year. The study concluded that HR services such as recruitment and performance contracts improved organizational performance and recommended that HR operations be improved continuously to maintain this improvement.

Nderitu et al. (2019) studied the impact of human capital on employee performance at the Kanya co-operative bank. The study indicated that HRM has a big impact on employee performance. Employee abilities have a statistically significant impact on employee performance. The study revealed that the bank trains its workers to take on new responsibility and increase their performance. The survey also discovered that the bank recognizes employee training requirements through formal performance appraisals. The study also discovered that employee perception affects

employee performance. The survey found that employees think HRM helps enhance skills. Employees feel appreciated by the organization, which boosts their self-esteem and performance. Employee engagement has been shown to improve employee performance.

Hassan (2016) investigated the impact of HRM practices on employee performance in Pakistan's textile industry. The research study employed random sampling to acquire data. A 34-item questionnaire was delivered to 68 textile industry employees to collect data. The data were used to examine the relationship between HRM practices and employee performance using Pearson correlation and regression analysis. Human Resource Management techniques like as compensation, career planning and employee engagement have been shown to improve employee performance. Thus, independent variables influenced the dependent variable positively.

Alsafadi and Altahati (2020) evaluated the impact of HRMP on employee performance (EP). The data were acquired from 480 questionnaires issued to Jordanian commercial bank employees and analyzed using SEM, path analysis, and confirmatory factor analysis (CFA). The analysis was completed using AMOS version 24 software. The results demonstrated that HRMP improved EP, work satisfaction, and its components (job stability and job enrichment).

Keir (2016) investigated the relationship between HR procedures and employee satisfaction. The study looked at both the direct and indirect effects of the relationship – organizational culture, employee commitment, and employee retention.

PLS was used to analyse the data and discover the model's relationships (Partial Least Squares). The replies to the questionnaire were statistically analyzed using SPSS (Statistical Package for Social Sciences) to reveal more about specific HR practices. The research found a direct link between HR practices and employee views of organizational success, mediated by organizational culture, retention, and commitment.

4. Conceptual Framework

This study adopts the following conceptual framework:

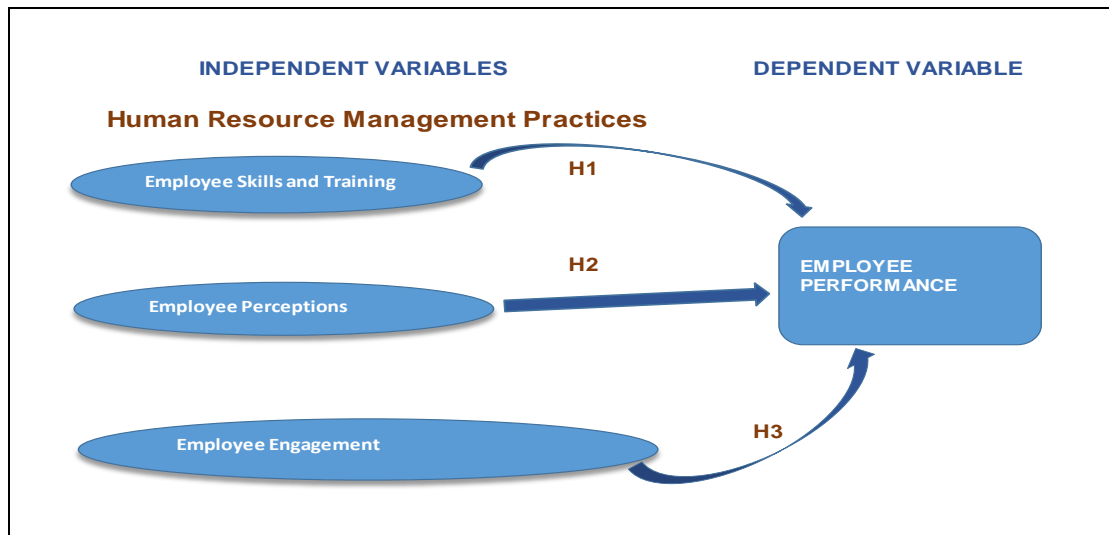


Figure 1: Conceptual Framework, Source: Researcher’s Construct

Study Hypotheses

The study proposes the following Hypothesis that will be tested in order to meet the research specific objectives:

H1: There is a strong link between employee skill and employee performance.

H2: There is a strong link between employee perception and performance.

H3: There is a strong link between employee engagement and performance.

5. Research Methodology

Research design

(Harvey, et al., 2017) research design provides the overall structure for the study process. The study used mixed methods. A mixed method approach combines qualitative and quantitative research methods in a single study or series of studies. This study used a "deductive approach." Testing the hypothesis shifts the solution from general to specific. The deductive method involves formulating a hypothesis based on existing theories, then designing a study to test it (Daughterty et al., 2016). Deductive reasoning draws conclusions from premises or propositions. Deductive research begins with the formulation of a theory or hypothesis, which is then tested in a context to verify or refute it.

Study Population and Sample Size

This research was conducted at NAPSA. The study included 700 institution employees. The questionnaires were shared

electronically to maintain social distance and the Covid-19 five golden rules. The study used Rao-online soft's sample size calculator. The online calculator gave a sample size of 249 respondents with a target population of 700 NAPSA employees and a 95% confidence level. So, the study used 50 middle and senior management executives as a sample. The remaining 199 employees were non-managerial.

Sampling Techniques

This study used snowballing and convenience sampling techniques. Snowball sampling is a non-probability sampling strategy where a researcher starts with a small group of known people and asks them to recommend others to join the study (Crossman, 2020). In other words, a small sample "snowballs" into a larger sample as the investigation proceeds. Snowball sampling is a common method used by social scientists to engage difficult-to-find populations.

Instruments for Data Collection

The study will use primary and secondary data collection methods. To collect primary data the study will use a structured closed ended questionnaire specialized players at NAPSA in Lusaka. Further, to collect secondary data the study will use published literature like journals, academic articles relating to the topic under review.

6. Data Analysis and Interpretation

The data were analysed using SPSS version 18. The data were correlated and regressed using SPSS version 18.

Variable	1	2	3	4	5	6	7
Employee Performance	-						
Age Group	0.076	-					
Qualification	0.107	.182**	-				
Work Experience	0.072	-.561**	-0.028	-			
Job Grade	-0.005	-0.045	-.271**	0.004	-		
Employee skills and training	.411**	.146*	0.087	0.069	0.039	-	
Employee Engagement	.415**	.161*	0.095	0.094	0.02	.541**	-
Employee Perception	.709**	0.086	.181**	0.057	-0.017	.549**	.618**

**Correlation is significant at the 0.01 level (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

Figure 2: Correlation Results, Source: (Author, 2022).

The above figure 8 presented the results of the correlation analysis. The findings reveal that all the correlation values were positive, indicating positive relationships among all variables. The highest correlation value (r) was 0.709, which was the correlation between employee perception and employee performance, while employee engagement had (r)

of 0.415 and employee, skills and training had the least with a correlation value (r) of 0.411.

Multiple Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.132 ^a	.017	.005	1.14133	.017	1.438	3	245	.232
2	.420 ^b	.177	.163	1.04683	.159	47.232	1	244	.000
3	.477 ^c	.228	.212	1.01607	.051	15.997	1	243	.000
4	.711 ^d	.506	.494	.81408	.279	136.549	1	242	.000

- a. Predictors: (Constant), Number of years worked in the Authority, Qualification, Age Group
- b. Predictors: (Constant), Number of years worked in the Authority, Qualification, Age Group, Employee Skills and Training
- c. Predictors: (Constant), Number of years worked in the Authority, Qualification, Age Group, Employee Skills and Training, Employee Engagement
- d. Predictors: (Constant), Number of years worked in the Authority, Qualification, Age Group, Employee Skills and Training, Employee Engagement, Employee Perception

Figure 3: Multiple Regression Analysis Model Summary, Source: Author, 2022.

According to the findings of the above figure 10 the study reveals significant relationships with all the combined variables employee skills and training, employee engagement and employee perception, r (0.711); P ≤ 0.05.

7. Conclusion and Recommendations

7.1 Findings

The study findings are summarized in the figure below:

Hypothesis	Statistic	Test	Status
Employee skills and training positively influences Employee performance	Beta= .404***	Regression	Supported
Employee engagement positively influences Employee performance	Beta=.271***	Regression	Supported
Perception positively influences Employee performance	Beta= .721***	Regression	Supported

***Significant at a= 0.0001 level

Figure 4: Hypothesis Results, Source: Data Analysis Results

The study sought to determine the impact of skill development training on employee performance. A significance level of.0404*** was found in the data analysis results for employee skill and training. As a result, the NAPSA institution supports the Hypothesis that employee skill and training improve employee performance. The results show that the more NAPSA employees are trained for their jobs, the better their contribution to the institution. Thus, affecting their work performance and productivity. Employee skills are vital in achieving company objectives and goals on time. Thus, NAPSA requires staff development to remain relevant in meeting changing client needs. Staff operational skills and knowledge are improved as a result of training and development initiatives. Developing new skills reduces errors and improves quality of goods and services. Training opportunities boost employee morale by showing

their employer's interest in their career growth. This improves output quality and quantity.

Second, the study looked into how employee engagement affects NAPSA performance. Employee engagement positively influences employee performance. Thus, hypothesis 2 was validated, stating that employee engagement influences employee performance. The findings implied that involving employees in day-to-day operations of institutions improves employee performance. Employee engagement is a result of good management. Good human resource policies create a positive working environment that engages and incorporates all employees. It looks out for the well-being of the top management as well as the cleaners.

Managers moderately engage NAPSA staff to influence their performance, according to the findings. This is in line with Armstrong (2009) who stated that if management allows employees to work according to plan, they will prefer that it meets company standards. The study also revealed that managers involve employees in decision-making. This is in line with Gong (2009) who stated that increasing employee engagement is an important factor to consider when increasing employee performance. Finally, the study sought to determine the impact of employee perception on NAPSA staff performance across the country. Among NAPSA employees, perception had the greatest impact on performance. The results show that NAPSA employees are proud of their company. So they value it highly.

7.2 Recommendations of the Study

The researcher recommends the following based on the findings of the study in relation to the variables that were been assessed at NAPSA institution:

1) The extent to which employee skills influence employee performance at NAPSA.

For NAPSA to gain a competitive advantage, internal human resource practices must be aligned with organizational objectives, values, and mission. NAPSA's human resource management should ensure

that compensation, performance evaluation and promotion policies are equitable. NAPSA can achieve this by following other industry leaders.

2) Employee perception Influence on employee performance at NAPSA office.

Employee perception affects employee performance positively, according to research. Determining policies and frameworks that influence organizational profitability, employee productivity, employee behavior and attitude is critical for NAPSA managers. Employee perception can be improved by providing long-term bonuses and incentives.

3) Employee engagement influence on employee performance at NAPSA office.

Human resource employee engagement is critical to creating a work environment that fosters both employee performance and organizational culture. The best practices for the sector should be used to develop policies that improve manager-employee relations, organizational justice, and employee work. Employees will be more motivated and perform better.

8. Study Limitations and Recommendations for Future Studies

It's time for researchers and academics to look into the impact of human resource practices. The findings of this study can be applied to human resource practices. Due to its vastness, this study could not cover all aspects of HRM. So future research can look at other factors.

An even larger sample, more time, and multiple data collection tools (interviews, focus groups) should be used to verify the respondents' information. A study with more relevant variables is required.

Small study sample size the study's broad scope would have required a larger sample size. NAPSA population restricted this study. NAPSA conducted the study exclusively on the service industry. Perhaps the results would be different in manufacturing or mining. Employee engagement is not standardized. The results may not be comparable because different organizations will use different tools and methods.

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