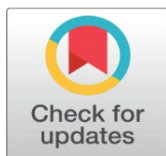


# EVALUATING THE EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT STRATEGIES ON EMPLOYEE CONTENTMENT IN NIGERIA'S SERVICE SECTOR (BANKING INDUSTRY)

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## ABSTRACT

The aim of this study is to assess the effectiveness of human resource management (HRM) practices on employee contentment in the service sectors, focusing particularly on the Nigerian banking industry. A questionnaire was designed and distributed to 540 individuals working in service sectors, with a specific emphasis on the banking sector in Nigeria. Of these, 406 responses were collected. Statistical analyses including regression analysis using the Statistical Package for Social Science (SPSS) and one-way ANOVA were employed to test the research hypotheses.

The findings revealed that overall, HRM practices, including HR planning, staffing, training & development, and performance appraisal, demonstrated high levels of effectiveness. However, the efficacy of remuneration was deemed to be moderate. Employee contentment levels were found to be moderate as well. Importantly, a strong positive correlation was observed between the effectiveness of HRM practices and employee contentment. The report suggests that banks should enhance their financial compensation policies to improve employee morale and contentment. Additionally, it recommends conducting comparative studies between commercial banks and Islamic banks to gain further insights.

**Keywords:** Human Resource Management, HRM Practices, Employee Contentment, Service Industries

## 1. INTRODUCTION

Due to extensive economic liberalization, Nigeria's service sectors play a pivotal role in transitioning to a free-market economy, making them fundamental to the country's economic framework [Okafor et al. \(2022\)](#). The service industry, particularly banking, offers significant growth and diversification prospects, accounting for 44.6% of market capitalization and 50.75% of GDP in 2010 [Fatogun](#)

(2022). Recognizing its importance, the Nigerian government aims to enhance the competitive edge of the service sector and attract foreign investment [Okafor et al. \(2022\)](#).

The banking sector, comprising 21 national and international commercial banks by 2022, plays a crucial role in Nigeria's economic recovery and future [Okafor et al. \(2022\)](#). The industry has evolved over the past decade to enhance reliability and competitiveness [Okafor et al. \(2022\)](#), [Fatogun \(2022\)](#). Various financial institutions, including microfinance banks, contribute significantly to SME success and national economic growth [Fatogun \(2022\)](#).

In contemporary business, organizations strive to improve productivity and job satisfaction through innovative work practices. Human Resource Management (HRM) is instrumental in enhancing an organization's competitive advantage and customer satisfaction [Anshari & Hamdan \(2022\)](#). HRM aligns an organization's strategic needs with its human capital, emphasizing the importance of a skilled workforce [Al-Daibat & Irtaimah \(2012\)](#).

Despite economic challenges, Nigeria's banking industry remains vital for local development initiatives due to reduced international financial support [Okafor et al. \(2022\)](#). However, limited research exists on the impact of HRM practices on employee satisfaction in service firms [Madanat & Khasawneh \(2018\)](#), [Katou & Budhwar \(2012\)](#). This study aims to fill this gap by examining the efficacy of HRM strategies and their impact on employee satisfaction in the banking industry.

HRM's role in enhancing performance, developing employee skills, and fostering organizational growth underscores its importance in modern management [Elarabi & Johari \(2014\)](#). Employee satisfaction remains a priority for businesses, making it essential to investigate the influence of HRM practices on satisfaction levels. This study seeks to evaluate the effectiveness of HRM strategies, including HR planning, staffing, remuneration, training, development, and performance appraisal, on employee satisfaction within Nigeria's banking sector.

## 2. LITERATURE REVIEW

Human resource management (HRM) encompasses various functions including planning, organizing, directing, and regulating personnel operations. [Elarabi & Johari \(2014\)](#) define HRM as a process aimed at enhancing employees' skills and fostering communication and cooperation among them to support organizational development. Numerous studies [Caliskan \(2010\)](#), [Katou & Budhwar \(2010\)](#), [Tan & Nasurdin \(2011\)](#), [Mukhtar & Siengthai \(2011\)](#), [Boohene & Asuinura \(2011\)](#), [Loshali & Krishnan \(2013\)](#), [Atteya \(2012\)](#), [Osemeke \(2012\)](#), [Channar et al. \(2015\)](#) & [Bai \(2013\)](#), [Osibanjo et al. \(2012\)](#) indicate that HRM practices positively impact organizational innovation, strategy implementation, job performance, financial returns, conflict management, and sustainable competitive advantage.

[Shahraki et al. \(2011\)](#) outline key HRM components such as teamwork, job design, career management, training, staffing, performance evaluation, and remuneration. The most mentioned HR practices include human resource planning, staffing, training and development, compensation, and performance appraisal systems.

HR planning, as defined by [Yadav & Dabhade \(2014\)](#), involves strategic management to forecast an organization's future personnel needs and compare them with the current workforce. [Noe et al. \(2010\)](#) emphasizes the importance of assessing supply and demand to avoid labor shortages or surpluses.

Recruitment and selection strategies, according to [Werner & DeSimone \(2009\)](#), aim to identify qualified candidates for present and future roles. [Mondy & Mondy \(2014\)](#) define recruitment as the process of enticing applicants to apply for positions promptly and adequately. [Durai \(2010\)](#) highlights the significance of attracting competent prospects to ensure an effective recruitment campaign.

Training and development programs are essential for enhancing employee capabilities, job performance, productivity, satisfaction, and reducing expenses. [Mondy & Mondy \(2014\)](#) stress that ongoing training initiatives improve organizational performance by equipping staff with necessary skills and knowledge.

Compensation, including benefits, is vital for attracting and retaining talent. It serves as recognition for employees' efforts and contributions to company success [Mondy & Mondy \(2014\)](#), [Noe et al. \(2010\)](#), [Dessler \(2011\)](#), [Osemeke \(2012\)](#), [Osibanjo et al. \(2012\)](#). [Gilmore & Williams \(2009\)](#) state that compensation influences employee behavior and performance, while [Irshad \(2008\)](#) argues that competitive pay is necessary to recruit and retain top talent.

Appraisal methods such as ranking, graphic rating, critical incident, narrative essays, management by objectives, and human resource accounting are highlighted by [Aggarwal & Thakur \(2013\)](#).

### **3. EFFECTIVENESS OF HUMAN RESOURCE MANAGERMENTS**

The efficient management of HR activities is crucial for enhancing both the department's performance and the overall performance of the company, necessitating cost reduction while maintaining high-quality service for internal and external clients. [Bai \(2013\)](#) emphasizes aligning HR activities with the firm's goals and improving those that fall short. [Agarwala \(2003\)](#) advocates for transitioning HRM practices to meet organizational demands and link them with operational requirements. [Jain & Gupta \(2012\)](#) identify markers of successful HRM outcomes as employee happiness, motivation, trust, commitment, and loyalty, emphasizing the importance of fostering a positive work environment.

[Al-Hyasat \(2006\)](#) examined the efficacy of HRMS (human resource planning, hiring, performance evaluation, and training) and their impact on business performance, finding a positive correlation. [Al-Sahryra & Al-Graeb \(2010\)](#) explored the relationship between HRM practices and organizational creativity in Jordanian telecommunications, noting a significant impact on innovation. [Moideenkutty et al. \(2011\)](#) found a positive association between high-involvement HRM practices and organizational success in Oman. [Abutayeh & Al-Qatawneh \(2012\)](#) observed that all HR practices increase job involvement. [Hong et al. \(2012\)](#) investigated HRM practices' impact on employee retention choices in a Malaysian university, highlighting the importance of training, compensation, and appraisal.

[Atteya \(2012\)](#) examined the effect of HRM practices on job performance in Egypt's petroleum industry, revealing a significant positive impact. [Loo & Beh \(2013\)](#) studied the link between strategic HRM practices and organizational performance in Malaysian insurance companies, identifying performance reviews, internal communication, and SHRM alignment as key indicators. [Al-Bahussin & El-Garaihy \(2013\)](#) found that HRM techniques positively influence organizational culture, knowledge management, innovation, and performance in Saudi Arabian businesses. In this study the following hypotheses were developed to guide the study.

H1: There is a medium level of employees' satisfaction in service industry.

H2: There is no significant impact of HRM practices on the level of employees' satisfaction in service industry.

#### 4. METHODOLOGY

The study employed a descriptive-analytical approach to assess the impact of HRM practices on employee satisfaction in the Nigerian banking sector. A structured questionnaire was administered to a standardized sample comprising managers, division heads, and staff members from various banking institutions. The study encompassed 21 commercial banks, 860 microfinance institutions, 5 discount merchants, 64 finance firms, and 5 development finance institutions. Participants were selected from corporate offices and branch locations using a systematic random sampling method. Out of 525 distributed questionnaires, 406 were returned and utilized for analysis.

Primary data was collected through the questionnaire, supplemented by information from secondary sources such as reports, books, papers, and journals related to the Nigerian banking industry. The questionnaire comprised three sections: respondent characteristics, HRM practices (measured through 39 Likert-type questions), and employee satisfaction (assessed through six questions). Pearson correlation coefficients were calculated for each item and dimension, all indicating a strong positive relationship. Internal consistency was assessed using Cronbach's alpha, with reliability coefficients ranging from 0.894 to 0.954 for HRM efficacy and 0.879 for employee satisfaction, exceeding the standard threshold of 0.7. The overall reliability of the questionnaire was determined to be 0.974.

Data analysis involved various statistical techniques such as one-way ANOVA, regression analysis, descriptive statistics (mean, standard deviation, T-test), and Cronbach's alpha. Additionally, the study employed a measuring scale where scores between 1 and 2.33 denoted low levels, 2.34 to 3.67 signified medium levels, and 3.68 to 5 indicated high levels of satisfaction or efficacy.

**Table 1**

<b>Table 1 Displays Characteristics of the Sample</b>				
<b>Demographical Variables</b>		<b>Percent</b>	<b>Cumulative Percent</b>	<b>Frequency</b>
Gender	Males	59.8%	100%	242
	Females	40.2%		163
Age	40 years old and younger	81.1%	100%	329
	over 40 years	18.9%		77
Education	OND/ND/NCE	15.5%	100%	63
	BSc/HND	70.4%		285
	POSTGRADUATE	14.1%		57
Years of experience	less than 10 years	65.2%	100%	265
	10 years and above	34.8		141
Job title	Operating Employees	56.2%	100%	227
	Heads of Departments	25.2%		102
	Executives and line managers	18.6 %		75
Respondents from commercial banks		75.1%	100%	305
Respondents from Islamic banks and others banks		24.9%		101
<b>Total Number of Respondents</b>				<b>406</b>

## 5. RESEARCH RESULTS

**Hypothesis 1:** There is a medium level of efficacy of HRM practices in the service sector (banking industry).

**Table 2**

Table 2 Result of One-Sample "T" and Level of Effectiveness of HRM Practices					
Dimension	Mean	SD	t	Sig.	Level
HR Planning	3.7288	0.64542	22.752	0.000	High
Staffing	3.7100	0.68265	20.957	0.000	High
Compensation	3.4470	0.83504	10.785	0.000	Medium
Training and Development	3.8620	0.66519	26.110	0.000	High
Performance Appraisal	3.7520	0.69127	21.891	0.000	High
<b>Overall HRM</b>	3.6998	-	22.995	0.000	High

Table 2 illustrates a notable level of achievement across all aspects of HRM. Regarding compensation, responses ranged from 3.4470 to a high of 3.8620 for training and development. Performance appraisal garnered a mean response of 3.7520, followed by staffing (3.7100), HR planning (3.7288), and overall HRM effectiveness (3.6998). These results signify a generally high level of HRM effectiveness in the Nigerian banking sector, albeit with compensation showing a medium level.

The findings suggest a commitment from Nigerian banking management to enhance HR processes through the adoption of modern, quality-focused methodologies and advanced technology. Such endeavors aim to elevate strategic contributions and service delivery, aligning with strategic objectives. However, there's a need for HR managers to prioritize enhancing compensation structures within the industry.

Researchers attribute the medium compensation level to Nigeria's economic challenges stemming from security issues and corruption. These factors have strained resource availability, hindered foreign investment, inflated inflation rates, constrained private sector growth, and intensified competition. Consequently, bank management may prioritize revenue generation and cost reduction to mitigate these challenges, potentially impacting compensation efficacy.

These observations align with Al-Daibat & Irtameh (2012) and Madanat & Khasawneh (2018) assertions regarding the widespread application of HRM strategies in the banking sector.

### 1) Effectiveness of HR Planning

Table 2 displays significant accomplishments across various HRM domains in the Nigerian banking sector. The responses indicate a range from 3.4470 to 3.8620 for training and development, with performance appraisal scoring a mean response of 3.7520, followed by staffing (3.7100), HR planning (3.7288), and overall HRM effectiveness (3.6998). This suggests a predominantly high level of HRM effectiveness, although compensation registers at a medium level.

The findings reflect a commitment from Nigerian banking management to enhance HR processes by embracing modern, quality-centric approaches and advanced technology. These efforts aim to bolster strategic contributions and service delivery in alignment with organizational goals. Nonetheless, there's a

pressing need for HR managers to prioritize the improvement of compensation structures within the sector.

Researchers attribute the medium level of compensation to Nigeria's economic challenges, particularly security issues and corruption. These factors have strained resource availability, impeded foreign investment, exacerbated inflation rates, stunted private sector growth, and heightened competition. Consequently, bank management may prioritize revenue generation and cost-cutting measures to address these challenges, potentially impacting compensation effectiveness.

These findings resonate with [Al-Daibat & Irtameh \(2012\)](#) and [Madanat & Khasawneh \(2018\)](#) assertions concerning the widespread adoption of HRM strategies in the banking industry.

**Table 3**

<b>Table 3 Means, Standard Deviations and Level of Effectiveness of HR Planning</b>					
Dimension	No.	Items	Mean	SD	Level
<b>HR Planning in the bank focuses on:</b>					
Effectiveness of HR Planning	1	Good distribution and use of available human resources.	3.8049	0.80467	High
	2	The study of the internal environment to determine the needed workforce.	3.7679	0.78378	High
	3	Achieving the effective use of human resources.	3.7704	0.77339	High
	4	Determining the quantitative and qualitative requirements of employee in line with business needs.	3.7167	0.81107	High
	5	Determine the quantitative and qualitative work needs of employee in line with the objectives of total quality requirements.	3.6864	0.81017	High
	6	The application of the principles of total quality management in a way that increases the effectiveness of human resources planning.	3.7340	0.76218	High
	7	The use of modern techniques in identifying available human resources.	3.7660	0.78688	High
<b>Effectiveness of Overall HR Planning</b>			3.7288	-	High

## 2) Effectiveness of Staffing

**Table 4**

<b>Table 4 Means, Standard Deviations and Level of Effectiveness of Staffing</b>					
Dimension	No.	Items	Mean	SD	Level
<b>Human resources management in the bank focuses</b>					
Effectiveness of Staffing	8	Recruiting from different sources.	3.8985	0.83181	High
	9	Achieving the objectives of total quality management through employee selection process.	3.7481	0.76804	High
	10	Carrying out the recruiting process effectively.	3.7414	0.79481	High
	11	Employment according to objective and unbiased principles.	3.6281	0.91198	Medium
	12	Selecting applicants who meet job requirements and specifications.	3.7030	0.86331	High
	13	Linking the employment process with the actual need of the workforce.	3.7704	0.86122	High

14	Recruiting the right person for the job.	3.5764	0.94951	Medium
15	Apply the principles of total quality management in a way that increases the effectiveness of the recruitment process.	3.7129	0.78871	High
16	Using modern techniques and technologies in recruitment process.	3.654	0.8319	Medium
<b>Effectiveness of Staffing</b>		3.7288	-	High

Except for questions 11, 14, and 16, which are at a medium level, all staffing-related statements demonstrate a high level of effectiveness, individually and collectively, as indicated in Table 4. The standard deviations range from 0.76804 to 0.94951, with mean scores spanning from 3.5764 to 3.8985. Among respondents, question 8, regarding sourcing from multiple channels, scored the highest with a mean of 3.8985, while question 14, concerning selecting the best candidate, scored the lowest with a mean of 3.5764. However, it's noteworthy that there's only been moderate adoption of contemporary recruitment tactics. The high staffing effectiveness is attributed to management's focus on sourcing qualified individuals, diversifying recruitment sources, and ensuring appropriate placement to meet quality standards.

### 3) Effectiveness of Compensation

Table 5

Table 5 Means, Standards Deviation and Level of Effectiveness of Compensation					
Dimension	No.	Items	Mean	SD	Level
<b>The compensation system at this bank intends to:</b>					
Effectiveness of Compensation	17	Reward employee fairly.	3.3267	1.03707	Medium
	18	Reward employee according to their contribution in achieving objectives.	3.4163	0.97961	Medium
	19	Encourage employee' to enhance their performance.	3.6330	0.89487	Medium
	20	Enhance quality of employee' performance.	3.6634	0.82789	Medium
	21	Use group incentives to enhance teamwork.	3.3630	0.99708	Medium
	22	Provide equal salaries for similar jobs.	3.3975	1.05187	Medium
	23	Provide equal incentives to identical performance.	3.4074	1.06215	Medium
<b>Effectiveness of Compensation</b>			3.4470	-	Medium

Table 5 illustrates a medium level of effectiveness for all statements related to compensation, as well as for overall compensation effectiveness, with mean scores ranging from 3.3267 to 3.6634 and standard deviations ranging from 0.82789 to 1.06215. The highest level of response, with a mean of 3.6634, was recorded for question 17, which pertains to the fairness of the incentive system. Conversely, the lowest level, with a mean of 3.3267, was observed for another question. These findings may be attributed to Jordan's challenging economic conditions, which heighten management's concerns regarding maximizing revenue while minimizing costs. This could involve considering drastic measures such as workforce reductions or freezing salary increases. Consequently, there's a need for bank management to prioritize enhancing employee compensation effectiveness.

#### 4) Effectiveness of Training and Development

Table 6 shows individual means and standard deviations for all statements pertaining to the effectiveness of training and development.

**Table 6**

Table 6 Means, Standard Deviations and Level of Effectiveness of Training and Development					
Dimension	No.	Items	Mean	SD	Level
<b>Bank's training programs focus on:</b>					
Effectiveness of Training and Development	24	Providing adequate training to enable employee to do their jobs effectively.	3.8938	3.8938	High
	25	Covering all administrative levels.	3.9012	3.9012	High
	26	Providing employee with the necessary skills to improve the quality of services provided to customers.	3.9138	3.9138	High
	27	Making real improvement in the level of performance of employee.	3.8522	3.8522	High
	28	Promoting positive work attitudes among employee.	3.7951	3.7951	High
	29	Conducting ongoing training and staff development processes.	3.8793	3.8793	High
	30	Evaluating and following up on the training process.	3.8596	3.8596	High
	31	Applying updating training techniques.	3.8653	3.8653	High
<b>Effectiveness of Overall Training and Development.</b>			3.8620	3.8620	High

Table 6 illustrates a high level of efficacy for all statements related to the training and development component, both individually and collectively. The mean scores range from 3.7951 to 3.9138, with standard deviations between 0.85069 and 0.77934. Notably, question 26, which assesses the extent to which training enhances service quality, achieved the highest level with a mean of 3.9138, while question 28, examining the impact of training on employee attitudes, obtained a mean of 3.7951. These findings reflect the pressure on bank management to enhance competitiveness, innovation, and efficiency amidst dynamic business demands and environments. Recognizing their employees as their greatest competitive asset, organizations are increasingly investing in their development.

Management's belief in continual improvement as essential for banking success and a key indicator of HRM performance further contributes to this emphasis on training and development. Consequently, banks are prioritizing the enhancement of professional and performance standards among their workforce to elevate service quality for clients.

#### 5) Effectiveness of Performance Appraisal

**Table 7**

Table 7 Means, Standard Deviations and Level of Effectiveness of Performance Appraisal					
Dimension	No.	Items	Mean	SD	Level
<b>Bank performance appraisal process contributes</b>					
Effectiveness of Performance Appraisal	32	Relying on the quality of work as a criterion in performance appraisal.	3.7975	0.78570	High
	33	Considering customer satisfaction as an important criterion in performance appraisal.	3.7896	0.84112	High



34	Correlating results of the performance appraisal clearly with employee' actual performance.	3.7363	0.82669	High
35	Identifying employee' strengths and weaknesses.	3.7104	0.87581	High
36	The adoption of objective standards and bases for judging the performance of employee.	3.7239	0.88820	High
37	Achieving quality objectives.	3.7593	0.74922	High
38	Achieving strategic objectives of the organization.	3.8564	0.76472	High
39	Using modern techniques in employee' performance appraisal process.	3.7599	0.88510	High
<b>Effectiveness of Performance appraisal</b>		3.7520	-	High

Table 7 indicates a high level of efficacy for performance appraisal statements, both individually and collectively. The mean scores range from 3.7104 to 3.8564, with standard deviations between 0.74922 and 0.88820. Question 38, which explores how performance reviews contribute to the bank's strategic goals, received the highest score of 3.8564, while question 35, addressing the identification of workers' strengths and weaknesses, obtained the lowest score of 3.7104. These findings suggest that bank management places significant emphasis on performance appraisal as a means to align with strategic business goals and enhance work quality. Additionally, amidst mounting commercial pressures, banks are increasingly prioritizing effectiveness, efficiency, and performance in business strategy to remain competitive. Consequently, efforts are being made to elevate performance standards and enhance company performance, including the development of performance appraisal systems and methodologies to improve individual and group performance.

In contrast, employee satisfaction comments, except for question 44 concerning satisfaction with training programs, reached a medium level, both individually and collectively, as depicted in Table 8. The mean scores range from 3.3645 to 3.7951, with standard deviations between 0.79290 and 0.99589. Question 42, regarding employee happiness with bank remuneration schemes, received the lowest score of 3.3645, while question 44, concerning satisfaction with training and development programs, received the highest score of 3.8564. Despite this, employee satisfaction with the efficiency of human resources procedures remained at a moderate level.

**Table 8**

<b>Table 8 Means, Standard Deviations and Level of Employees' Satisfaction</b>					
<b>Dimension</b>	<b>No.</b>	<b>Items</b>	<b>Mean</b>	<b>SD</b>	<b>Level</b>
Employees' Satisfaction	40	Employees are satisfied with the human resources planning system currently applied at the bank.	3.5877	0.82675	Medium
	41	Achieving employee satisfaction regarding selection system currently applied at bank.	3.6691	0.82304	Medium
	42	The Compensation System at this Bank Intends to: Achieving employee satisfaction regarding their salaries.	3.3645	0.98388	Medium
	43	The Compensation System at this Bank Intends to: Achieving employee satisfaction regarding their incentive.	3.4431	0.99589	Medium
	44	Banks Training Programs Focus on: Achieving satisfaction of employees for the information and skills provided to them.	3.7951	0.79290	High
	45	Bank Performance Appraisal process contributes to: Achieving employee satisfaction.	3.6700	0.84215	Medium
<b>Employees' Satisfaction</b>			3.5878	--	Medium

Hypothesis 2 asserts that there is no significant effectiveness of HRM practices on the level of employees' satisfaction in the service sector, particularly in the banking industry. To test this hypothesis, a simple, multiple, and stepwise linear regression analysis is conducted to examine the influence of HRM practices' effectiveness on employees' satisfaction levels. The regression results are presented in [Table 9](#).

**Table 9****Table 9 Simple Regression for the Impact of Effectiveness of Hrm on Employees' Satisfaction**

Independent	R	R <sup>2</sup>	Df	F	Beta	T	Sig.	Statistical decision
Effectiveness of HRM	0.921	0.849	405	2272.042	0.921	47.666	0.0000	Rejected
Significant at ( $\alpha \leq 0.05$ )								

The results of the simple linear regression analysis, depicted in [Table 9](#), reveal a significant impact ( $p < 0.05$ ) of overall HRM practices' effectiveness on employee satisfaction within the banking industry. The beta coefficient of 0.921 ( $t = 47.666$ ) indicates that a one standardized unit change in HRM practices leads to a corresponding change of 0.921 standardized units in employee satisfaction. Moreover, the coefficient of determination ( $R^2$ ) of 0.849 signifies that 84.9% of the variation in employee satisfaction can be explained by the effectiveness of HRM practices. Consequently, the null hypothesis is rejected, affirming the alternative hypothesis:

There is a significant impact ( $\alpha \leq 0.05$ ) of the effectiveness of HRM practices on employees' satisfaction levels.

These findings underscore the substantial influence of HRM practices on employee satisfaction, emphasizing the pivotal role such practices play in leveraging human resources within the banking sector. Hence, it is imperative for bank management to enhance their HRM practices to effectively contribute to employees' satisfaction. These findings align with previous international studies, such as the research conducted by [Hong et al. \(2012\)](#), which demonstrated the impact of HRM practices on employee retention decisions and loyalty.

To further investigate the impact of HRM dimensions on employee satisfaction, a multiple and stepwise linear regression analysis was conducted, with the results presented in [Table 10](#) and [Table 11](#).

**Table 10****Table 10 Multiple Regression for the Impact of Hrm Dimensions on the Employees' Satisfaction**

HRM Dimensions	Beta	T	Sig.	Statistical decision
HR Planning	0.256	7.373	0.000	Rejected
Staffing	0.142	3.946	0.000	
Compensation	0.361	14.379	0.000	
Training and Development	0.055	2.063	0.040	
Performance Appraisal	0.192	6.906	0.000	
Significant at ( $\alpha \leq 0.05$ ); $R^2$ (0.875)				

As depicted in [Table 10](#), the effectiveness of overall HRM procedures significantly impacts employee satisfaction within Nigeria's banking sector ( $\alpha \leq$

0.05). Notably, salary emerges as the most influential factor, followed by HR planning, performance appraisal, staffing, and training & development. Consequently, the null hypothesis is rejected, affirming the alternative hypothesis: "There is a significant impact of overall HRM practices on the level of employee satisfaction in Nigeria's banking sector."

Table 11 delves into the impact of HRM practices on employee satisfaction and their respective positions in the regression equation. The findings reveal that compensation holds the foremost position, explaining 76.5% of the variation in employee satisfaction with a correlation coefficient of 0.875. HR planning follows, contributing to 84.2% of the variation alongside compensation (individually, 7.7%), with a correlation coefficient of 0.917. Performance appraisal ranks third, accounting for 86.9% of the variation alongside compensation and HR planning (individually, 2.7%), with a correlation coefficient of 0.932. Staffing occupies the fourth position, explaining 87.4% of the variation alongside compensation, HR planning, and performance appraisal (individually, 0.5%), with a correlation coefficient of 0.935.

Responding to these findings, researchers emphasize the direct and advantageous impact of pay on workers' performance and job satisfaction, underscoring the need for the banking sector to prioritize employee inclusion in decision-making and attend closely to their needs. It is highlighted that compensation effectiveness emerges as the most significant HRM practice affecting employee satisfaction, emphasizing the importance of remuneration and planning efficiency. By prioritizing these aspects, banks can foster greater employee dedication and job satisfaction. Additionally, senior management is encouraged to promote employee participation in goal-setting and enhance empowerment, factors that contribute to heightened employee commitment and job satisfaction.

**Table 11**

**Table 11 Stepwise Multiple Regression for the Impact of HRM Dimensions on Satisfaction Employees' Satisfaction**

HRM Dimensions	R	R2	f	Beta	T	Sig.	Statistical decision
Compensation	0.875	0.765	1312.451	0.875	36.228	0.000	Rejected
Compensation	0.917	0.842	1068.663	0.585	20.398	0.000	
HR Planning				0.400	13.948	0.000	
Compensation	0.932	0.869	884.194	0.485	17.084	0.000	
HR Planning				0.320	11.558	0.000	
Performance Appraisal				0.235	9.078	0.000	
Compensation	0.935	0.874	694.68	0.436	14.447	0.000	
HR Planning				0.249	7.830	0.000	
Performance Appraisal				0.212	8.141	0.000	
Staffing				0.148	4.175	0.000	
Compensation	0.936	0.875	561.121	0.433	14.379	0.000	
HR Planning				0.238	7.373	0.000	
Performance Appraisal				0.191	6.906	0.000	
Staffing				0.140	3.946	0.000	
Training and Development				0.053	2.063	0.040	
Significant at ( $\alpha \leq 0.05$ )							

## 6. CONCLUSION AND RECOMMENDATIONS

The findings revealed that the collective implementation of HRM strategies proved to be more effective. Notably, HR planning, staffing, training and development, and performance appraisal demonstrated high levels of efficacy. However, due to the medium degree of compensation effectiveness, respondents indicated a moderate level of satisfaction among employees. Both individually and collectively, employee satisfaction ratings reached a medium level, with the bank's remuneration system garnering the lowest satisfaction score, averaging at 3.3645. The study identified that 87.5% of the variance in employees' satisfaction could be explained by the strong impact of HRM practices.

Significantly, compensation emerged as the most effective HRM strategy, explaining 76.5% of the variation in employee satisfaction. In light of these findings, bank management is urged to take decisive measures to enhance financial compensation procedures in alignment with the strategic plans and actions of the banks. HR managers are advised to prioritize improving the pay-compensation structure to ensure fair and equitable rewards for employees. Furthermore, it is recommended that future studies expand their scope to encompass HRM practices in other African countries. These studies should aim to include a larger sample size and conduct research across diverse geographical locations to enhance understanding of HRM practices' broader applicability in various sectors and cultural contexts, as proposed by [Cherif \(2020\)](#).

## 7. LIMITATIONS AND IMPLICATION OF THE STUDY

The study suggests that a significant portion of respondents may hesitate to provide honest responses regarding organizational satisfaction and pay. To address this issue, future research should consider conducting comparative studies across different sectors or economies to elucidate variations in HRM practices. While the study focused solely on the Nigerian banking sector, its insights can be invaluable for bank CEOs and management seeking to optimize their HRM procedures.

The study underscores the critical importance of compensation, a fundamental aspect of HRM, and its impact on employee satisfaction. However, it also highlights the need for bank management to consider both financial and non-financial aspects of compensation. Given the substantial influence of financial remuneration on employee satisfaction, the Nigerian banking sector should contemplate revamping and reengineering their pay systems. Moreover, expanding these considerations to encompass other rapidly growing industries such as IT and communication is essential. This holistic approach ensures that the banking sector remains competitive in attracting and retaining top talent.

## CONFLICT OF INTERESTS

None.

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