

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ART AND SOCIAL SCIENCES

SCHOOL OF BUSINESS, KNUST

Human Resource Management Practices in the Ghanaian Rural-Based Banking

Sector.

Evidence from the Ashanti Region.

BY:

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**A Thesis submitted to the Department of Managerial Science, Kwame Nkrumah
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the degree of**

**MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE
MANAGEMENT OPTION), School of Business, College of Art and Social Sciences.**

July, 2014

DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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Head of Department Signature Date



DEDICATION

This piece of work is dedicated to my family and friends for their support, care and prayers throughout my education. I thank you for creating a caring environment in which I could make mistakes, grow and learn to aspire for greater things in life; I am indeed blessed to have you as my closest associates.

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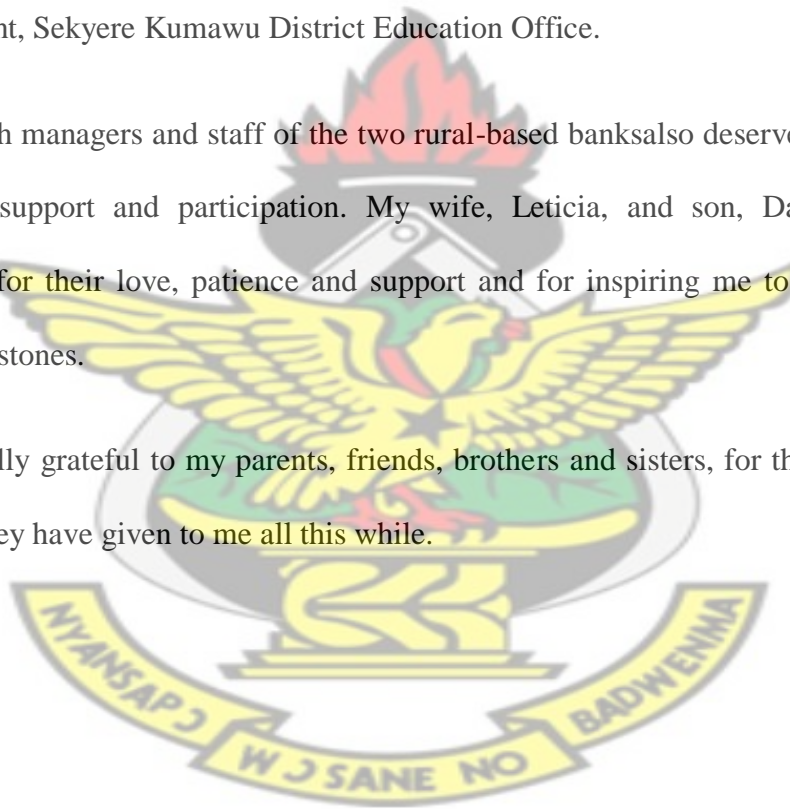


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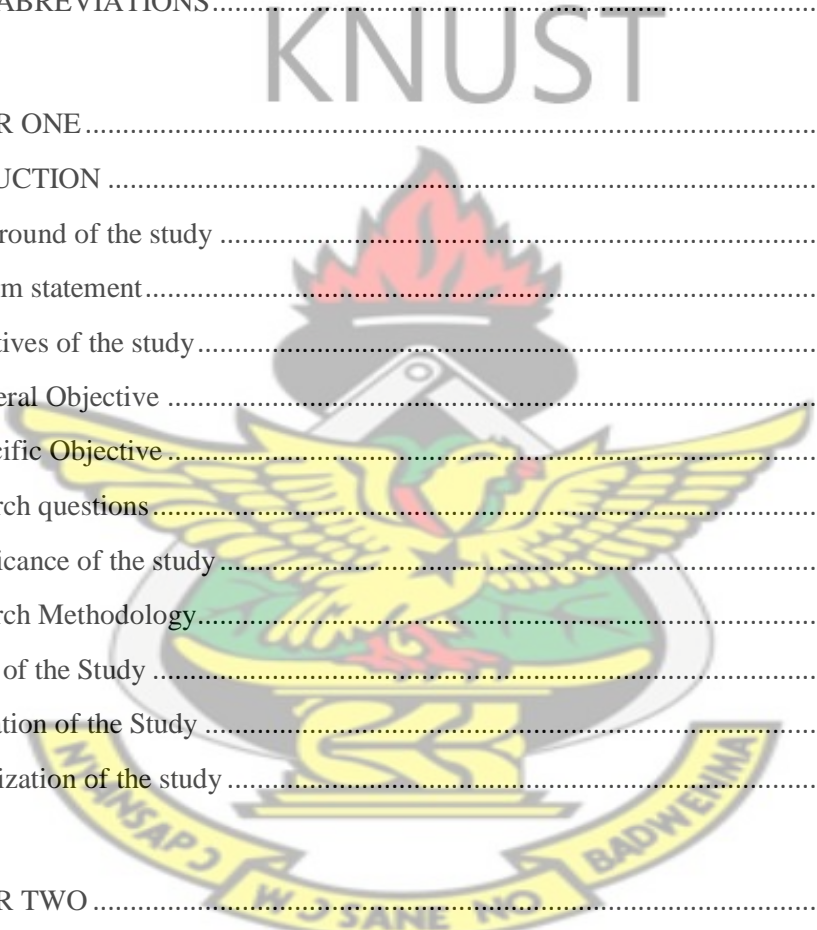
I am equally grateful to my parents, friends, brothers and sisters, for the love and moral support they have given to me all this while.



ABSTRACT

The concept of Human Resource Management (HRM) and environmental influences dominate most management literature today however, the focus has been on developed countries with little research done on Africa especially, Ghana. The study therefore aimed at providing insight into the HRM practices found in Ghanaian rural-based banking sector using case studies of two rural-based banks in the Sekyere Kumawu and Sekyere East districts of the Ashanti Region. In setting the theoretical background of the study, HRM practices, literature as well as the institutional theory and the convergence and divergence debate were explored. However, some writers regard HRM as a cosmetic measure in the sense that an organization having a human resource department does not necessarily guarantee a change in the management of their people as asset which the concept prescribes. It is against this background that this research project is being undertaken with research questions designed to provide answers about the extent to which human resource management practices are employed by organizations. The study adopted a mixed method approach. This involved the use of questionnaire and semi-structured interviews to collect data from (80) respondents from rural-based financial institution. Both the qualitative and quantitative data collected were analyzed using a number of methods, including frequency analysis and content analysis. One of the findings of the study was that both banks are transforming their HR department to conform to high standards set by the extremely competitive business and market environment. Several studies have linked HRM to organizational success and evidence from the two case studies supports this general view. Both banks saw the need to adopt the concept HRM even if their functions are yet to reflect a change in practice, this is attributed to the general view that HRM delivers results. Among the recommendations made were that considerations should be given to link the HRM practices with the long term objectives and the strategies of the organization. HR (Human Resource) departments must be empowered and have full knowledge of the companies' business strategy, needs and objectives and should be in the position to take initiatives and make contributions to organizational progress.

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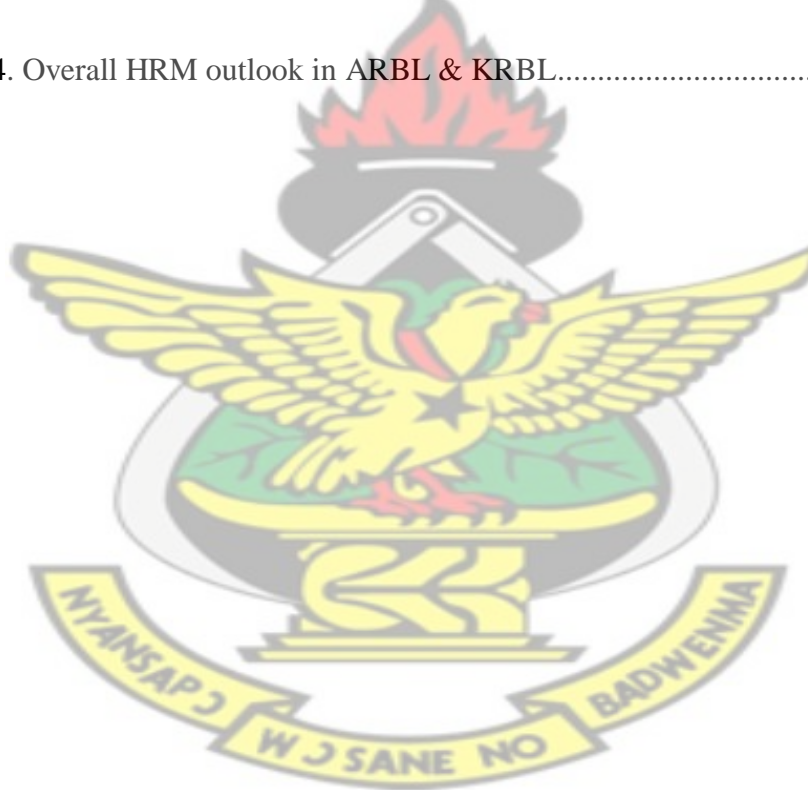
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LIST OF ABBREVIATIONS

HRM	-	Human Resource Management
HR	-	Human Resource
US	-	United States
UK	-	United Kingdom
DPSP	-	Directive Principle of State Policy
CHRAJ	-	Commission of Human Rights and Administrative Justice
GDP	-	Gross Domestic Product
SAP	-	Structural Adjustment Programme
GPRS	-	Ghana Poverty Reduction Strategy
BGA	-	Better Ghana Agenda
ERP	-	Economic Recovery Programme
IMF	-	International Monetary Fund
KRBL	-	Kumawuman Rural Bank Limited
ARBL	-	Asokore Rural Bank Limited
HND	-	Higher National Diploma
GCE	-	General Certificate of Examination
SSSCE	-	Senior Secondary School Certificate Examination
WASSCE	-	West Africa Secondary School Certificate Examination

CHAPTER ONE

INTRODUCTION

1.0 Background of the study

There is disagreement recently that the success or failure of most organizations lies in the competitiveness of their human resource. Human resource management (HRM) has made a conversion from a state of insignificance to one of strategic importance academically and business wise. The current disposition of HRM is largely associated with the drastic expansion of businesses globally, technological innovations and fierce competition that characterizes the environment in which businesses operate today and the Ghanaian business environment is no exception to this global development. It is therefore a step in the right direction to view HRM practices in the new spirited Ghanaian rural-based financial sector.

Since both indigenous and foreign companies operate in the same bloodthirsty and volatile environment in Ghana both are bound to readjust their management practices to boost their performance. Indigenous companies face keen contention from their foreign counterparts, whose worldwide operations have aided in developing a blend of the best management practices, giving them an advantage of some sort in terms of variety and best practices. The growing importance attached to HRM as a pre-requisite for business survival has fuelled studies into different fields namely International HRM, Comparative HRM, and Strategic HRM, which covers a vast array of styles and features of the concept.

1.1 Problem statement

However, some writers (such as Byars and Rue, 2006) regard HRM as “A system of activities and strategies that focus on successfully managing employees at all levels of an organization to achieve organizational valuable goals”. Employees are the human resources of an organization and its most assets. To be successful, an organization must make employee productivity a major goal. This issue, which is worth assessing in totality through to the exploration and description of the HRM concept in practice and in theory. It is against this background that this research project is being undertaken with research questions designed to provide answers about the extent to which human resource management practices are employed by organizations. The answers bridge the gap in the knowledge that including rural banks has informed this study.

The success of organizations in this modern business environment depends on the caliber of the manpower that steers the affairs of the organizations. An HRM practice has been a matter of concern to many and needs attention. Even though it is the wish of every organization to attract the best human resource practices in order to channel their collective effort into excellent performances, unconventional selection practices can deface any business plan. It has been observed that for any organization to achieve its stated objectives and goals there is the need for management to put in place HRM policies that will help attract the best of employees to strive towards the achievement of organizational objectives. It has also been pragmatic that the performance output of employees is of prime concern to management as it affects productivity and the development of rural-based banks. Importantly, some of the employees who are not able to improve and adjust to their new working environment resign leading to employee

turnover and this affects the organization in terms of cost and productivity. In the light of these that the researcher sees it as necessary to determine the human resource management practices in the Ghanaian Rural-Based Banking Sector.

1.2 Objectives of the study

There are two main types of objective. These include general objective and that of specific objective.

1.2.1 General Objective

The general objective of the study is to determine the human resource management practices in the Ghanaian Rural-Based Banking Sector. This research focuses on Ghana with emphasis on the Rural-Based Banking Sector, using two case studies conducted in two banks in Sekyere Kumawu District and Sekyere East District of Ashanti.

1.2.2 Specific Objective

The study seeks to:

- a) Identify the extent to which various HRM practices are used by organizations.
- b) Identify the factors influencing HRM practices in the various organizations.
- c) Assess how HRM practices ensure employee development and organizational success.

1.3 Research questions

- i) How are HRM practices carried out in the various organizations?
- ii) What are the factors influencing HRM practices in the various organizations?
- iii) How does a HRM practice ensure employee development and organizational success?

1.4 Significance of the study

The study seeks to determine the human resource management practices in the Ghanaian Rural-Based Banking Sector. For an organization to survive in the ever-changing competition in the world, it must put in place sound human resource management practice. The study will therefore seek to determine the human resource management practices in the Ghanaian Rural-Based Banking Sector. The researcher believes that the study will enable the management of the organizations to identify the various HRM practices that are carried out in the various organizations. Also the study will assess HRM practices so as to ensure organizational success and employee development. Moreso, the findings will help identify factors influencing HRM practices in the various rural banks or organizations specifically in the Ashanti region and generally in Ghana.

1.5 Research Methodology

This paper is based on both primary and secondary data. Primary data were collected through a structured questionnaire which was administered personally to the employees of the bank. The target population of this study was employees in the rural-based banking

sector. For conducting this research, 100 bank employees were selected from the chosen banks and out of this 80 employees responses properly, the response rate is 80 percent. The questionnaire consists of different questions on HRM practices such as recruitment and selection systems, pay and remuneration package, training and development, employee participation or involvement, and performance appraisal. Secondary data are sources of information that are collected by a person or organization other than the users of the data and include surveys, documented information, annual reports and handbooks amongst others.

1.6 Scope of the Study

The study focused on rural banks within the Sekyere Kumawu and Sekyere East districts of the Ashanti region. The study does not include all the Rural Banks in Ashanti Region. The study covers only Sekyere Kumawu District and Sekyere East District both in Ashanti Region.

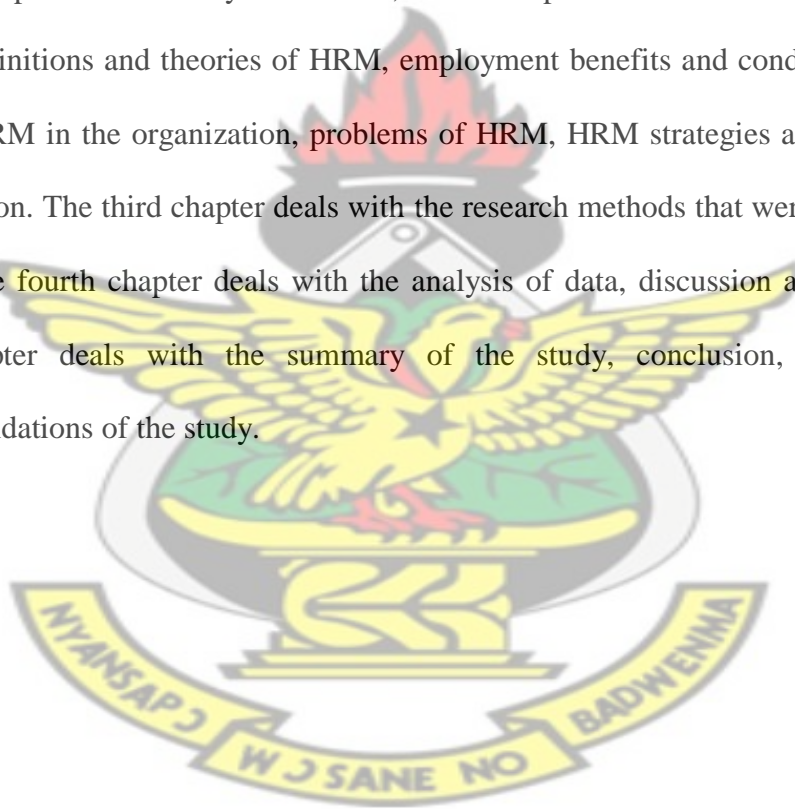
1.7 Limitation of the Study

Every study has its limitations and this study is no exception to the rule. In conducting this research, a number of problems were encountered which were worth mentioning to guide prospective researchers in the same area of study. In the course of information gathering, the researcher encountered many problems. Some were personal. Finance was also a major hindrance to the course of this research. Personally, the researcher tried to solicit information from specific department within the company but was not permitted to do so. If the researcher had been given the necessary assistance from some of the

departments much information could have been collected to enhance the work. Lack of financial resources restricted my desire to seek information from several areas.

1.8 Organization of the study

The study consisted of five chapters. Chapter one addressed the background of the study, statement of the problem, objective of the study and the research questions, hypothesis, significance of the study, limitations of the study, and organization of the study. The second chapter of the study deals with, the concept of HRM Practices, origin of the HRM, definitions and theories of HRM, employment benefits and conditions of service, role of HRM in the organization, problems of HRM, HRM strategies and approaches in organization. The third chapter deals with the research methods that were adopted for the study. The fourth chapter deals with the analysis of data, discussion and findings. The fifth chapter deals with the summary of the study, conclusion, and finally the recommendations of the study.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter one focused on the introduction to the study. It introduced the background justification for the study on HRM practices in organizations. This chapter presents existing literature on the subject matter of HRM. This chapter focuses on the various studies conducted in the field of HRM, revealing necessary gaps in the literature, which this research intends to fill. To begin with the concept of HRM is explored in light of what it is said to be and various constitutes and sub divisions. The literature also looks at HRM research in Africa. The chapter begins with a discussion on HRM concept and its definitions. This is followed by a review of HRM evolutions and development of conceptual framework.

2.2 HRM as a Management Phenomenon

Human resource management (HRM) is the effective management of people at work. Since a firm's human resources are an important potential source of sustained competitive advantage, managing them well helps create unique competencies that differentiate products and services and, in turn, drive competitiveness (Ivancevich, 2003; Cappelli and Crocker-Hefter, 1996). This link, in principle, facilitates successful corporate performance. Firm performance is a multi-aspect phenomenon that is both difficult to measure and is influenced by several factors. Studies have shown that organizational performance can be influenced by human resource management (HRM)

practices, by leadership, by the environment, by market orientation, by strategy, and by organizational structure, among many other determinants (Racelis, 2006). Similarly good human resource management practices play a pivotal role in employee's retention and their productivity. (Peer-Olaf Siebers, et al,-2008).

In every study a good literature review does not only provide knowledge about what has been done in the research area but also strengths and weaknesses upon which one can also put up an intuitive and persistent study. HRM is one of the well-researched areas in management literature, however, the more research conducted in the field the more debatable the concept becomes.

2.3. Definitions of HRM

Human Resource Management developed as a US management concept, which lays emphasis on the individual worker and the need to treat people as assets rather than cost (Wilkinson 1990; Beaumont 1992). Though widely accepted as the new management practice, the concept remains undefined as it is applied in different ways. The concept of Human Resource Management (HRM) emphasizes the need to treat people as assets in organizations and dominates most of the present management literature. However, the concept is far from gaining the status of a comprehensive and prescriptive management strategy due to the various ways in which it is manifested in organizations and countries.

Guest (1987:504) identifies three main approaches to HRM: Firstly, HRM as a new title for personnel management, indicating that organizations rename their personnel department without necessarily changing practices, Secondly, HRM as a way of re-conceptualizing and re-organizing personnel roles and describing the work of personnel

department, and thirdly HRM as a totally new approach for management with a distinctiveness which lies in the integration of human resource into strategic management and the emphasis on full and positive utilization of these resources has produced a number of broad definitions of HRM. Some are presented below:

- a. Byars and Rue (2006) define HRM as *“A system of activities and strategies that focus on successfully managing employees at all levels of an organization to achieve organizational goals”*. *Employees are the human resources of an organization and its most valuable asset. To be successful, an organization must make employee productivity a major goal.*
 - b. Storey (1992) seminal work further highlights the unitary aspect of HRM as effective management that reaffirm employees’ commitment to the realization of company goals. Storey (1992) views HRM as: *“A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique”*
- Legge (1995; 1998) however, divert from the optimistic view formerly stated by Guest (1987) and Storey (1992) arguing that HRM policies are adapted mainly to drive managements interest, the well-being of employees is only factored in, as a means to an end (achieving organizational goals and targets).

- c. Armstrong (2001) gives an all-inclusive sum up of the various views of HRM as: *“A strategic and coherent approach to the management of an organization’s most valued assets: the people working there who individually and collectively contribute to the achievement of its objective”* (Armstrong 2001:3-4).

By implication, these definitions talk about the importance of HRM practices in organizations. Apart from the unitary view of HRM expressed in the erstwhile paragraph, another central feature of HRM is the decentralization of responsibility to line managers. The general view is that line managers are essential for the effectiveness of HRM practices regardless of the type or version of the concept in question. Lowe (1992) reaffirms this point adding that line management play a more significant function in the implementation and drive of HRM. Thus, the function of line managers does not only focus on purely technical responsibilities but also play a role in enhancing the human aspect of HRM (see Poole and Jenkins 1997). From the various views presented, HRM can then be labelled as a strategic approach, which is comprehensive and coherent, stresses on commitment, the need to treat human resource as assets, a unitary approach, and finally one, which factors in line management responsibility in the performance and delivery of HRM.

2.4 HRM in focus

Human resources management is the most important asset for any organization, and it is a major source of achieving competitive advantage. Managing human resources is an extremely challenging task as compared to managing capital or managing technology.

Human resource management should be backed up served HRM practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that resources are employees towards the fulfillment of organizational goods.

The study of people management has gone through different phases dating as far back as Fredrick Taylor's Scientific Management to Elton Mayo's Hawthorne experiment giving rise to Human Relations movement through the era of Personnel management until the present day concept of Human Resource Management. This growth has been of interest in many studies (see for example Legge, 1995; Poole and Warner 1998; Poole, 1999; Schuler and Jackson, 1999; Sisson and Storey 2000; Budwhar and Debrah 2001). It is however refreshing that each concept reflected the era and times in which it was developed, and address largely, pressing issues that confront the management of people at the said time whiles utilizing previous concepts as building blocks for new ones. However, the progression from personnel management to HRM has not been a smooth one in comparison to previous ones. Differences of the two phases have attracted several debates and still cause disagreement in management literature (Storey 1992, 1995; Sisson 1994; Guest 1995; Legge 1995, 2001). However, a theoretical understanding of HRM can be explained by looking at some of its theories and perspectives as shown in table 2.1

2.4.1 Institutional Theory

Institutional theory explains the presence of similar practices found in different organizations. The concept focus on the deeper and more resilient aspects of social structures and it takes into consideration the authoritative role of structure, rules, norms

and routines in constructing social behaviour while providing stability and meaning to them, (Scott 1995; 2001). The theory views organization as social entities that seek approval for their performance in a socially constructed environment. As such, organizations conform to gain legitimacy and acceptance, which in turn facilitate survival, (Meyer and Rowan 1977; Zucker 1977; Jackson and Schuler 1995). Institutional theory further asserts that the strong influence of the institutional environment can override that of market pressures in the development of formal structures in organizations. The process of institutionalization is therefore defined as:

“those by which societal expectations of appropriate organizational action influence the structuring and behaviour of organizations in given ways, (Dacin 1997: 48).

Research conducted on institutionalization (see Scott 1987; Zucker 1987) points to both internal and external environmental influences that shape practices of organizations. These include external pressures emanating from regulatory agencies such as the state (laws and regulations) the professions, as well as leading organizations within the same industry sector, (Greenwood and Hennings, 1996). At the same time, internal exigencies stem from formalized structures and organizational process, (Schuler and Jackson 1995). Two popular assertions from the literature (see Meyer and Rowan 1977; DiMaggio and Powell 1983) are that: Institutionalized activities are resistant to change and organizations in institutionalized environments are pressured to become similar. Within this theoretical perspective, context is a major explanation for both resistance to change and the adoption of new HRM practices. Meaning, HRM practices are rooted in the history of organization and its environment, the study of which gives useful insight

to current practices. Again, HRM practices may be adopted by organizations simply because others have done so. DiMaggio and Powell (1983) further elaborate this latter assertion with the concept of “*institutional isomorphism*” defined as:

“a constraining process that forces one unit in a population (or organizational field) to resemble other units that exposed to the same set of environmental conditions”. (Boxallet al. 2007: 174)

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2.4.2 Convergence Divergence Debate

The convergence divergence debate has for some years now, dominated much of worldwide management research, (e.g. Dowling 1999). The convergence hypothesis (Kerr et al.1960) suggests that there are increasing similarities in managerial and organizational practices worldwide, based on the argument that the common requirements of management and industrialism surpass the importance of cultural differences. Additionally, contextual contingencies such as the growth in worldwide communications and travel, adoption of capitalism and greater interdependence resulting from globalization are factors eroding differences between organizations and management practices. Advocates of the convergence view maintain that HRM practices irrespective of culture will over time tend towards standardization and universal management practices, (Ralston et al. 1993; 1995; Weber, 1969). On one side, some scholars have criticized the convergence view as overly simplistic and optimistic (Leung et al. 2005). However, such criticisms lend support to the divergence view, which lays emphasis on country and cultural differences. Divergence view argues that differences in approaches to management practices are enduring and these differences are

predominantly attributed to a country of origin effect produced through interaction of local culture and institutional factors (Aycaan 2005). Proponents of divergence; (including Lincoln et al 1978; Ricks et al. 1990) believe that national culture will continue to produce diversity among fully industrialized societies. This makes the divergence view consistent with the cross cultural perspective that emphasize that all managerial practices are culturally determined (Hofstede, 1980, 1997; Adler, 1997).

2.4.3 Crossvergence

This perspective is a fusion of both convergence and divergence views. Crossvergence perspective holds that both economic and national culture interact to create a unique value system different from the value set proposed by either national or economic ideology, (Ralston et al., 1997:183) this suggest that it is a fusion of both convergence and divergence views. In a large-scale study conducted by Von Glinow (2002), a converging trend was found as well as regional and country specific practices. This finding lends support to crossvergence that is a more balanced perspective of global and local responsiveness, (Anakwe 2002).

2.4.4 Contingency theory

Unlike other theories, this theory does not seek to give a prescriptive, normative, nor descriptive view of what HRM practices ought to be. It however, argues that the HRM process does not take place in a vacuum but rather within the context of internal and external environment of the organization. As such, definitions of aims, strategies and policies activities, and the analyses of the role of the HR department are only valid in relation to organizational circumstances. This acknowledges the role of certain contextual

factors such as technology, competitive pressures, goals, culture, company size, and strategy employed in creating a distinctive management practice suitable for the organization and serves as a source of distinction from others. A number of studies have been conducted to identify the predictors of HRM practices in companies (see for example Jackson et al. 1989; Arthur and Hendry, 1990; Daft 1998; de Kok and Uhlaner, 2001). The need to create a well fit between HRM and organizational specifics is the focus of this theory, (Armstrong 2001). The theories discussed, namely institutional theory, convergence divergence perspective, crossvergence perspective and the contingency theory, form the theoretical framework for this study. The institutional and convergence theory suggest national and institutional effects will create similarities in HRM practices in organizations operating in Ghana. Contingency theory on the other hand, point to organizational specifics (ownership, interest, values, strategy and goals) overriding environmental pressures in the adoption of HRM practices, creating diverse management practices.

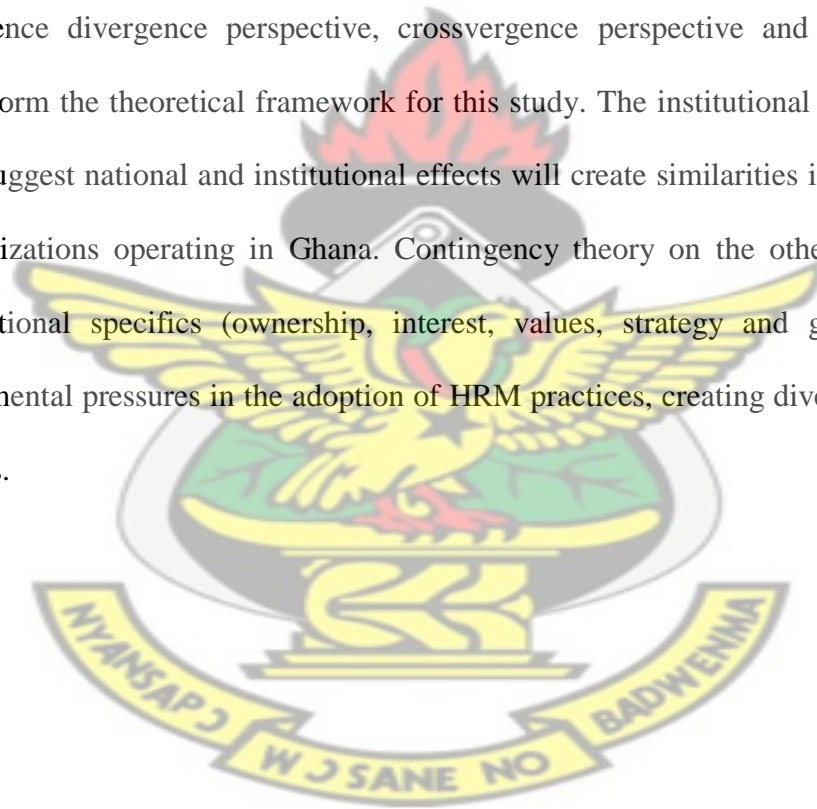
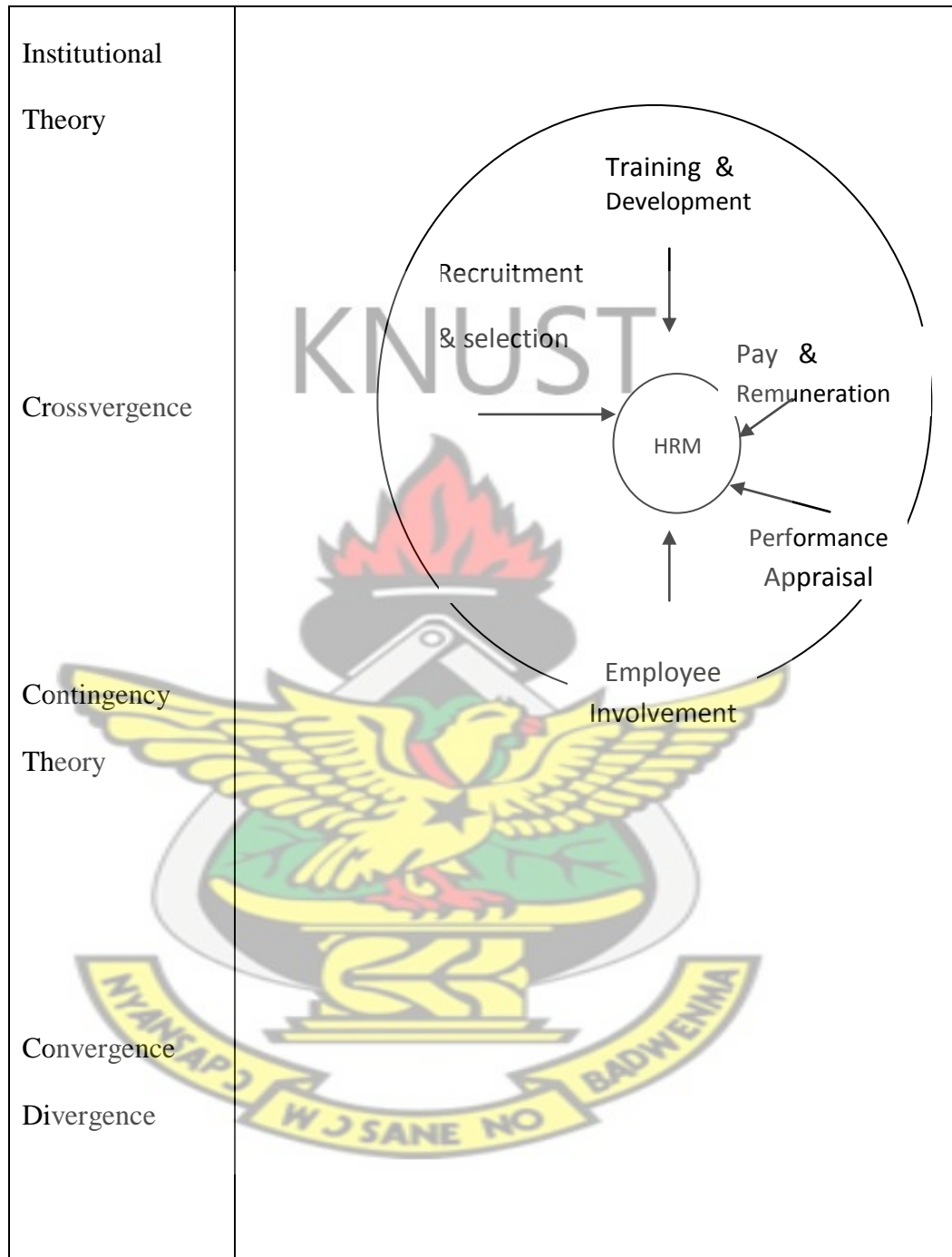


Table 2.1 Theoretical Framework



2.5 HRM Practices

In the 1970s, the general assumption was that incentive pay would continue to decline in importance. This opinion was because traditional unskilled jobs with piece-rate incentives were declining, and white-collar jobs with stable salaries and promotion-based incentives were increasing. Surprisingly, however, it appears that over the last three decades, a greater proportion of jobs have become rewarded with contingent pay, and this is in fact particularly true for salary workers.

There is no agreement on what constitutes HRM practices let alone a prescribed set of them, (Boxall 2007). Researchers have over the years proposed countless varied lists of practices however; there is no agreement on what or which practice qualifies as an aspect of HRM (Beer et al 1984; Storey 1995; Guest 1997; Boselie et al. 2005). It is interesting to note that there are still some practices that form the core of the various practices proposed. These include recruitment and selection, training and development, performance management and reward scheme, however, others such as job design and employee involvement are more sporadic and are yet to gain grounds in the HRM literature. Guest (1997) however puts forward seven practices namely, selection, training, appraisal, rewards, job design, involvement and status and security. However, the study focuses on five out of the seven practices in its analysis. Selection of the practices for study is based on its recurrence in the literature reviewed, its significance, and measurability. In addition, managers introduce other human resource management practices; concerning employee training, hiring criteria, teamwork, job design, and employee hierarchies that are aimed at eliciting optimal performance (see reviews in Gibbons, 1998; Gibbons and Waldman, 1999; Lazear, 1999; Murphy, 1999; and

Prendergast, 1999), without empirical evidence on businesses' human resource practices, it will remain an open question whether the theories proposed in "personnel economics [are] real or merely a series of clever models proposed by abstract thinkers who have little contact with reality" (Lazear, 1999).

2.5.1 Recruitment and Selection

This is largely influenced by the "*whom you know*" culture (the practice whereby people recommend their own relatives and friends to be employed by their organizations). The recruitment and selection procedure therefore becomes a formality as opposed to an objective means to ensure the selection of the best candidates fit for the job. Fashoyin (2000) avows that HRM relies heavily on assertive norms, with decisions being influenced by personal relationships between managers and employees and this intend affects the recruitment and selection procedure.

Organizational effectiveness depends largely on the development of superior human resources, which, in turn, requires careful planning, hard work, and evaluation (Ivancevich, 2003). Recruitment and tenure issues involve such important elements as the administration of employment tests (Huselid, 1995), the use of performance appraisal systems (Huselid, Jackson and Schuler, 1997), and fair and objective tenure rules (Bellingham, Cohen, Edwards, and Allen, 1990). This involves two interconnected processes, recruitment is the process of generating a pool of capable people to apply for employment to an organization whiles selection is the process by which specific instruments are employed to choose from a pool of applicants persons most suitable for the job taking into consideration management goals and legal requirements (Bratton and

Gold 2003:221). Armstrong (2001: 385) categorizes recruitment and selection into three stages: defining requirement, attracting candidates, selecting candidates respectively. The recruitment and selection process is one of the most important HRM function as it is the point of entry into most organizations and in addition, where most organizations recruit talents that drive their goals and interest. It also reflects the requirements and philosophy of the organization as reflected in the caliber of people chosen for the job. Various techniques are employed in the recruitment and selection process and these include various forms of interviews, assessment centers, curriculum vitae, references amongst others.

2.5.2 Training and Development

This is a very important aspect in most organizations. However, opportunities are limited for majority of employees to undergo training especially outside the organization or external training. Training given in the public sector differs from that of private; the former relying on “on the job”, training methods as well as external bodies for training while the latter have their own well-structured internal training programs, Debrah (2001).

“Training is the formal and systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience” (Armstrong 2001:543). Training can be on the job or off the job depending on the need in question. Appropriate training is required for various needs such as: to solve pertinent problems, to boost performance, and also for continuous development of human resource. The practice is one of the most important aspects of HRM needed to keep organizations

ahead of their competitors Hilb (1992). A rigorous study conducted by Koch and McGrath (1996) demonstrated that firms that engage in systematic training of their workforce are more likely to enjoy the rewards of a more productive workforce.

2.5.3 Pay and Remuneration

Pay and Remuneration is largely determined by qualification and skill; thus skilled and unskilled employees pay is determined by the national minimum wage while that of highly skilled employees are driven by collective bargains as well as individual negotiation. Trade Unions play an important role in fighting for employees rights to benefits. Other practices bordering on job design and specification as well as employee involvement are given little attention in HRM. The absence of the latter in management practices is associated with the culture whereby workers regard their superiors as all knowing and as such do not take initiatives.

An inclusive and effective HRM strategy has a coherent approach to rewards as one of its most central component (Armstrong and Murlis 1991; Poole and Jenkins 1997). The remuneration process is crucial and a source of contention in most organizations. It deals with rewarding people in accordance with their value in the organization. It is concerned with both financial and non-financial rewards and embraces the strategies, philosophies plans, and processes employed by organizations to develop and maintain reward systems. It plays a motivational role in management hence the importance attached to it. Pay strategies include performance related pay, production based pay, skill based, knowledge based and base pay (Brown 1989).

2.5.4 Performance Appraisal

This is considered important in most organizations; however, they are hardly linked to remuneration and rather used for transfers and promotional purposes (Debrah2001).

Performance management is considered one of the most important and positive developments in the field of HRM. The term was coined by Beer and Ruhr in 1976 but was hardly used until the mid-80's (Armstrong 2001). It is defined as: *“a strategic approach to delivering sustained success to organizations by improving the performance of people who work in them and developing the capabilities of teams and individual contributors”* (Armstrong and Baron, 1998 see Armstrong 2001: 467). Performance appraisal serves as continuous assessment update that informs both management and employee of contributions made by employees to organizational success. Line managers and supervisors usually drive it since they have direct access to observable performance information. The need to tie it to pay and rewards has been the thrust of most HRM discourse. It includes the use of continuous assessment by managers and group assessment using frameworks developed by the organization.

2.5.5 Employee involvement/participation

The concept of treating employees as the most important asset of an organization is an underlying assumption of HRM. As such to facilitate and enhance greater employee influence and involvement is obviously basic to successful HR practice in organization. Poole and Jenkins (1997) proposed three principle routes to greater employee involvement which includes: Legislated standards on employee participation (example work councils, support for employee financial participation) trade unions for both formal

and informal collective bargaining and management initiatives to support employee participation in the work itself and to provide opportunities for employees to voice their views on development and problems (see Beer et al. 1984; Poole and Mansfield, 1993). It must be noted that these HRM practices entail more than discussed here, however, so far as this study is concerned it was not feasible to identify all the elements each practice encompass. Thus, the need to focus on some significant aspects of each practice as manifested in the organization.

In summary, HRM practices reviewed captures the various practices carried by organizations and definitions surrounding human resource management practices. However, this study focuses mainly on these HRM practices. These include: recruitment and selection, training and development, pay and remuneration, performance appraisal, and employee involvement.

2.6 Trends in HRM

Currently, there is a heightened need to address the external and internal organizational issues in HRM (Nyambegera, 2002). This has shifted the study of HRM towards “more substantive issues such as the impact of HRM on organizational performance and employee’s experience of work (Legge, 2005: pg.221). Again, attention in the last ten years has drifted towards the areas of strategic management, which stresses on the need to align HR policies and practices to organizational goals to boost performance (Beer et al, 1984; Dyer 1984; Delery and Doty 1996; Boxall and Purcell 2003; Paauwe, 2004).

Additionally, recent studies have shifted from generalization purposes of advanced countries to the need to factor in the ‘different socio-political contexts in which HRM is

embedded' (Boxall et al, 2007). Internally, the discipline has narrowed down to focus on interactions, cause-effect, and organizational dynamics and how management deals with aligning employee interest to that of organization (Guest 1989). Boxall et al. (2007) brings together the various areas that dominate HRM studies today and categorize them into three main sub domains which includes: Micro HRM, which focuses on policy development and practices, Strategic HRM that focuses on the overall HR strategies adopted by business units and companies and tries to measure their performance and International HRM, which concentrates on management practices employed by organizations in worldwide operations. Contrary to previous studies, which concentrated on one or the other aspect of the processes that influence HRM , this research approaches the subject in a more holistic manner, touching on all three domains of HRM to give a more realistic view of the concept in practice.

2.6.1 Importance of HRM

Though writers have their reservations about the HRM concept, they generally agree on the importance of human resource in business growth. Several authors have emphasized the concept of utilizing people as a source of company's competitive advantage (Pfeffer1994; Poole and Jenkins 1996; Nyambegera, 2002). Studies link organizational performance to the effective utilization of human capital more than physical assets (Reich1991). Although technological and other material resources are of importance these are results of the creativeness and innovativeness of people, Nyambegera (2002). Again, it is through the manipulations of people that the usefulness of such materials is identified. The importance of human resource therefore cannot be overlooked in

management practice and must be given ample attention if companies should realize their goals.

In the foregoing, HRM is the management of work and people towards desired ends. Although it is a fundamental activity in organizations, there is bound to be variations in ideologies, styles, and practice due to influences of environment, differences in organizational beliefs and goals as well as make up. Boxall et al (2007:1) therefore reinforce the significance of HRM stating that *'to wish HRM away is to wish away all but the very smallest of firms'*.

2.7 HRM research in Africa

As previously stated, research in HRM has grown to cover other areas of the world, and has shifted from the concentration on advanced economies such as the UK and North America to areas such as Eastern Europe, Asia, and South America. Evidently absent amongst the extensive HRM research agenda is the African perspective. Thus, Kamoche (2002) associates the disinterest in Africa to its unattractive business prospects, which is actually a characteristic that abounds in other areas of studies. Clark et al (1999) also points out the tendency of researchers to adopt Anglo Saxon perspectives in analyzing HRM in other parts of the world. A gap remains in the understanding of the complexity of HRM in Africa as academic research in the mainstream focuses elsewhere. Kamoche (2002) further points out the tendency to treat Africa as one homogenous continent, which distorts a true picture of the continent in question. It is however noteworthy that the continent consist of more than 50 different countries, with an existing diversity, which prevails across all spheres including, political, social, economic and historical

occurrences. These are some aspects that characterize these countries now, which enhance the need to analyze each country independently. It is also vital to acknowledge the fact of similarities that prevail in these countries possibly due to geographical proximity. In spite of its heterogeneous nature, a study in one part of Africa serves as inroads into other areas of study in the continent.

Horwitz et al (2002) points out an overemphasis on comparative analyses between Africa and western countries and a need for redirection. Jackson (2002) argues that the tendency to create a distinction between developing and developed countries is not only sneering; but it also hampers critical research into the subject further enhances this point. However, since HRM is known to impersonate a country's economic situation there is the need to reconsider this view. Horwitz et al (2002) again suggests the need to go beyond the current framework of convergence and divergence and begin to embrace elements of crossvergence with particular regard to the diffusion of high performance work practices. The issue of crossvergence in African HRM studies is pursued further by Anakwe (2002) analysis of Practices in one African country Nigeria. The study revealed that in a survey of organizations across 3 major cities, the HR practices were a blend of foreign practices and local practices reflecting the significance of the local context. This analysis offers a critique of the predominant convergence perspective that according to Anakwe (2002) has been a source of confusion, frustration, and malaise among the Nigerian workforce. This has resulted in the need for organizations, taking into account the specific circumstances of their labour force while designing and implementing HR practices. Osuntokun (2001) explores some thoughts on traditional African idea of management as well as the nature of management in Africa in pre-colonial days. He states that contrary to

the popular view in the western world that ancient African societies carried out their activities without planning, there is the overwhelming evidence that system patterns were followed for positive results in the pre-colonial Africa. He continues that across the continent and long before European colonialism, careful planning was carried out in addition to sedulously managed individual and collective resources for the benefit of citizens. In addition, Africa had administrative systems that were homogenous and small. Additionally, personnel functions were present in such systems but were not as formalized and systemized as they currently are, and continue that:

“The armies and the administrators of kings, the guilds system and other social institutions had their own mode of selecting recruits, inducting them, maintaining discipline and rewarding employees but the advent of colonialism saw the importing of modern organizations based on bureaucratic principle”.

The perception of western world on management in Africa has remained aloof in the African context and settings thereby raise significant cultural questions (Jackson 2000).Blunt and Jones(1997) however observe that while western theories may not always be good for analysis of African based research, the absence of local alternatives make this inevitable.

In light of the foregoing, there are no doubts on local influences coming into play in HRM practices within countries across the continent. Previous research utilized quantitative approach in analysis and presented a general overview of the practices and left many questions unanswered. This case study therefore seeks to fill this gap by giving a descriptive and deeper account of HRM in an African country.

2.8 HRM in Ghana and Ghana's Legal Framework

The provisions made in the country's constitution also influence the current HRM practices in Ghana, (see table 2.2, and 2.3). The fourth Republican Constitution has put across a number of prescriptions, which directly and indirectly touch on HRM practices in the country. In support, Heinemann (1983) affirms the use of laws and regulations act as important external influences on HRM. The constitution makes it clear the need for humane approach to people management in organization, this also forms the basis for the general human relations movement that sought to sensitize managers to the need to factor in employee needs into the managerial equation Abdulai (2000).

The Directive Principle of State Policy (DPSP) covered in chapter six of the constitution enjoins all to avoid discriminatory practices by implementing policy decisions in such a way that will create a just and free society. The policy states categorically that the state prohibits discrimination and prejudice on the grounds of place of origin, disability, ethnicity, gender, or religion. This forms the basis of the directives in the areas of recruitment and selection, employee rights and welfare, remuneration and employee development.

The development of human resource, which is seen as the main role of government is on the hand catered for. Adequate provisions is also been made to ensure employees freedom of expression, which gives room for the formation and participation of trades union in organizational decisions.

It is refreshing to note that the fourth Republican Constitution of Ghana is the legal framework as shown in table 2.2 and 2.3 that binds every organization in the country. However, the stress is more on the public sector than private (Abdulai 2000).

Table 2.2 highlight the constitutions' policies and guidelines surrounding the recruitment and selection process whiles Table 2.3 talks about stipulations on other HRM practices within organizations in Ghana.

Table 2.2 Recruitment and Selection policies

<u>HRM activities and issues</u>	<u>Issues raised through constitutional provision</u>	<u>Articles</u>
Laws and regulations	Supremacy of the constitution Enactments made by parliament Rules and regulations Existing laws Common laws	1(2) 11(1b) 11(1c) 11(1d) 11(e)
HRM policy	Respect for human rights Gender balance in appointment Regional balance in appointment Fair and realistic remuneration Retirement age of 60	35(4) 36(6b) 35(6b) 36(2a) 199(1)
Recruitment and selection	No discrimination based on origin, gender, etc No discrimination against the disabled Equal access to recruitment	35(5) 29(4) 218(b)

Source: Adapted from Abdulai (2000: 8)

Table 2.3 Employee Rights and Welfare policies, 4th Republican Constitution.

<u>HRM activities and issues</u>	<u>Issues raised through constitutional provision</u>	<u>Articles</u>
Employee rights and welfare	Right to work under satisfactory conditions	
	Right to receive equal pay for equal work	24(1)
	Right to join or form trade unions	24(1)
	Right to rest and leisure	24(3) 24(2)
Compensation and benefits	Fair and realistic compensation	26(2a)
	Equal pay for equal work	24(1)
	Paid during public holidays	24(2)
	Paid leave to women before and after delivery	27(1)
Human resource development	Education facilities at all levels	38(1)
	Free compulsory universal basic education	38(2)
	Equal access to pre-university/university education	38(3a)
	Development of free vocational training	38(3b)

Source: Adapted from Abdulai(2000)

2.9 Conceptual Framework on HRM Practices

Based on the literature reviewed in this chapter, a conceptual framework that is used explicitly to examine HRM practices at three levels: HRM, HRM Practices and Organizational Success (see figure 2.1) is developed. The concept of HRM enables the researcher to view the various practices of HRM including recruitment and selection, training and development, pay and remuneration, employee involvement and performance appraisal and how these practices may influence organizational success. To be successful, an organization must make employee productivity a major goal. The level of productivity can vary depending on the skill levels the employees demonstrate in their jobs and the satisfaction levels of the employees with the organization and their jobs.

HRM PRACTICES ORGANIZATIONAL SUCCESS

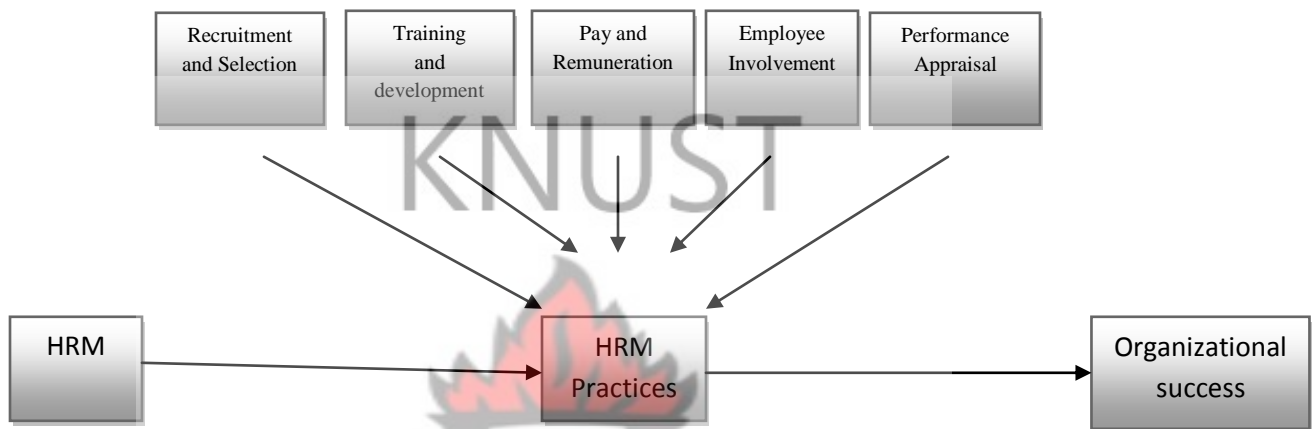


Figure 2.1 Conceptual Framework

Source: Survey 2014

Conclusion

In conclusion, HRM practices reviewed captures the various practices carried out by organizations and definitions surrounding human resource management practices. This chapter makes it possible for the researcher to collect and analyze data on some variables as a way of assessing HRM practices in organizations. In setting the theoretical background of the study, HRM practices, literature as well as the institutional theory, conceptual framework and the convergence and divergence debate were explored. The diagram above depicted HRM as an effective management of people at the work place as

an asset and not a cost so as to achieve the objectives and goals of an organization. The HRM practices could lead to organizational success, if effectively managed.

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CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.1 Introduction

Chapter two reviewed existing studies related to the topic under study. This chapter is in two sections. The first section explains the process and procedure to be employed in reaching the objectives of the study. It include the research strategy, research design, sources of data, population and sample size, sampling technique, data collection instruments, questionnaire development and data analysis techniques. The second section focuses on profile of the area chosen for the study.

3.2 Research Methodology

Remenyi et al, (2003) described methodology as the “overall approach to a problem which could be put into practice in a research process, from the theoretical underpinning to the collection and analysis of data”. The methodology describes the methods employed in this study in order to achieve substantial outcome. This deals with the research design, research strategy, sources of data, population and sample size, sampling technique, data collection instrument, questionnaire and interview guide, and data analysis technique.

3.3 Research design

Research design is the logical framework upon which the research project is conducted and enables the researcher to gather evidence to address the research question. It provides

the glue to hold the research project together dealing with the questions to study, what data are relevant, what data to collect and how to analyze the results. Research design adopts case study approach.

3.3.1 Case Studies as a qualitative method

As a form of qualitative research, case studies are defined by interest in individual or multiple case studies and not by methods of enquiry used. It consists of detailed investigation of phenomena within their context over time, (Cassell and Symon 2004). According to Yin (2002:14), *“the case study research strategy comprises all-encompassing method- covering the logic of design, data collection, techniques, and specific approaches to data analysis”*. Stocker 1991 reaffirms this adding that, it is not a mere design feature but rather a comprehensive research strategy. Case studies are useful where it is important to understand how organizational and environmental context influence social processes and as this study focuses on influential factors of HRM, case study is found to be the most appropriate method because of the following advantages discussed in the paragraph below.

Case study has the potential to extract rich, varied and in depth information about the organizations in focus. Again, it constitutes legitimate knowledge by combining data derived from different sources thus giving credence to validity, and reliability in data collected. Lastly, due to the direct nature of gathering information, case studies gives the chance to verify from respondents their answers to questions posed which again limits bias by enhancing objectivity. The stated advantages make case studies the appropriate choice in this research study.

Moreover, Yin (2002:13) points out that in studying a contemporary phenomenon within a real life context especially when boundaries between phenomenon and context are not that clear, case study is the best choice. Although, HRM is not an entirely new phenomenon, the variation in its description and understanding gives it an evolutionary appearance worth researching.

Above all, case studies come in handy when the “*research in question seeks to explore, describe and explain certain topics*” (Yin 2002: 15). The study employs multiple case studies as this may have a distinct advantage as evidence from multiple cases is often more compelling and provides basis for comparing and contrasting various situations (Cassell and Symon 2004).

3.3.2 Research Strategy

Research strategy is a plan of action that gives direction to the researcher’s effort, enabling the researcher to conduct research systematically. It concerns with the overall decisions the researcher makes to serve as guide and focus for the basis of the research. This involves the use of either quantitative approach or qualitative approach for the study or both.

Quantitative approach deals mainly with the collection and conversion of the field data into numerical values for ease of interpretation and presentation. This is done mainly through the use of relevant and acceptable statistical analysis procedures. Data collection using some quantitative methods is relatively quick. Research findings can be generalized when it has been replicated on many different populations. The research results are relatively independent of the researcher and it is useful for studying large numbers of

people. However, it has a drawback as the knowledge produced might be too abstract and general for direct application to specific local situations, contexts, and individuals.

Saunders et al, (2000) explained that qualitative data collection and analysis is concerned with concepts and categories and not their frequency of occurrence. This same explanation formed the basis for the use of the qualitative data gathered from the field for a research. The use of the qualitative data is because of the necessity to establish some relating to the subject of this research on the current conditions and situations based on the impressions and perceptions of the respondents. Data based on the participants' own categories of meaning useful for studying a limited number of cases in-depth. Qualitative research method provides individual case information and data are usually collected in naturalistic settings. However, it generally takes more time to collect the data when compared to quantitative research and data analysis is often time consuming. In addition, the results are more easily influenced by the researcher's personal biases and idiosyncrasies.

To achieve the objectives, the qualitative method was chosen as the appropriate strategy. Qualitative approach is a practical tool in answering questions pertaining to the nature of phenomena with the main focus on describing and giving meaning to them from the participant point of view. In contrast is the quantitative method which examines aggregates and quantify data to arrive at deductive conclusions, qualitative methods draw inductive conclusions from the study of social issues in its entirety giving preference to detail (Creswell 1994; Cassell and Symon 2004). Contrary to the belief that one method is superior to the other Silverman (2005) points out that preference is based on suitability, furthermore, in exploring social phenomena, the effectiveness of qualitative research is

unparalleled. The issue of preference is more of a trade off between breadth and gravity as the strength of qualitative research lies in its careful attention to detail and in-depth analysis at the cost of above mentioned the study of a larger sample. Qualitative methods include interviews, direct participation and case studies. To solicit the opinions and views of selected respondents, the researcher will use questionnaire and interview guide.

3.4 Sources of data

There are many ways of assessing information or data. Notably among them has to do with secondary source of data and that of primary source of data.

3.4.1 Secondary data

Secondary data are sources of information that are collected by a person or organization other than the users of the data and this include data such as surveys, documented information, annual reports and handbooks amongst others. It has the following advantages: it provides bases for comparison; it is unobtrusive and also provides a useful background for identifying key questions and issues that will need to be addressed by primary research, (Steppingstones' 2004).

3.4.2 Primary Data

The primary data source is mostly collected through interviews, observation or questionnaires, Hair et al., (2003). For this research, the primary source is the use of questionnaire. The questionnaire is to help gather specific data in the process of answering the research questions. Denscombe (2000) states that questionnaires are relevant for gathering detailed data from specific respondents chosen by the researcher. It

also allows the generation of very original answers as well as serves as the pool of original data for the researcher to fall on anytime the need arises. The questionnaire also gives the researcher the opportunity to be flexible in the manipulation of the primary data in order to produce all the necessary results needed to complete the research.

3.4.3 General Overview of the role of Rural-based banking sector in Ghana

The Republic of Ghana is found in the western part of Africa specifically between the Gulf of Guinea, Cote d' Ivoire and Togo. The country further occupies 239,460sq km of total space with a population of about 24,931,299 (July est. World fact book 2010). Ghana is well endowed with natural resources ranging from gold, diamond, to crude oil not to mention arable land supporting plant growth and livestock which has led to the agricultural sector becoming the greatest contributor to the country's GDP. However, the current boost in the country's service sector specifically the financial sector dominates the news in recent times. Like most African countries, Ghana has gone through a period of political and economic instability until 1992 when it ushered in democratic governance. Subsequently governments have made efforts to turn the country's economic situation around and these include implementation of extensive economic reform programmes to strengthen the economy. Prevalent amongst them is the Financial Sector Reform, the Structural Adjustment Programme (SAP), Vision 2020, Ghana Poverty Reduction Strategy (GPRS) and recently the Better Ghana Agenda (BGA) which features human resource development as necessary for the country's economic growth and development. The country's economic progress is evident with a current GDP of \$60 billion, a far cry from that of 2002 when it was \$42.5 billion (World fact book 2007 estimate). However, due to the rapid economic growth the country is caught between

flaking deepening old economic practices and embracing modern practices, Debrah (2001) points out that Ghana is at a critical stage in its attempts to modernize the economy and provide employment for its people. Consequently economic conditions have had serious repercussions on employment growth and human resource management in the country. The recent boost in the Ghanaian economy is believed to have attracted new entrants into the business landscape, creating a more competitive atmosphere in which businesses have to revamp their management practices in order to retain a market share. From the above description, Ghana at its infant stages of economic growth falls into the category of a developing country, (Debrah, 2001). Hence, a study of its HRM practices will not only be informative but also provide empirical evidence of the various management practices found in the country.

Over the years, the banking industry has played a major role in most economies hence the importance attached to its practices, policies and general issues that concerns it (Herring and Santomero 1991). The banking industry provides the payment services and financial products that enable households and firms to participate in the broader economy (Frei et al 1998). Thus, by providing investment opportunities, extension of credit and risk management, they contribute significantly to the growth of capitalism worldwide. Though, core functions of the bank remain constant, the structure of the industry has undergone dramatic changes.

The banking sector plays a vital role in a country's developmental agenda and Ghana is no exception to this. As stated by Mr. Paul Acquah; Governor of The Bank of Ghana *'banks play the role of financial intermediaries in the economic growth process,*

channelling funds from savers to borrowers for investment' (5th Banking Awards Ceremony 2006).

Developing countries that have pursued economic and structural reforms, Ghana has been undergoing a process of financial sector restructuring and transformation moving from a history of severe distress and dysfunction to a market regime. Rejuvenation of the banking industry has been the focus of the Ghanaian government for sometime now and this has led to deregulation of the industry to encourage new entrants to boost competition and improve quality of service in the financial sector. Currently, the Ghanaian banking sector has 23 major players with several branches operating nationwide. Concurrently, the banking industry is one of the most competitive and fastest growing in the country with bank branches increasing by 11.3% from 309 to 344 between 2002 and 2004 with 81 new branches springing up between 2004 and 2006 indicating an increase of 23.5%, (Bank of Ghana website). Recent and emerging developments suggest that cost competitiveness, customer sophistication, technology, regulatory changes and a unitary framework in employee relations are the main drivers of change and most banks are adapting to these changes for growth and profitability. Although, the country's service sector under which banking falls contributes more than 37% of the country's total GDP and employs more than one-fourth of the country's labour force (World fact book 2007).

Banks need equally proactive HRM practices to recruit and retain their workers as they are a source of competitive advantage. A trend in the Ghanaian rural-based banking sector indicates movement of talented workers from one employer to the other in search of better working condition (www.ghanaweb.com). Banks have resorted to stringent

measures in their HRM practice delivery to ensure that workers are well motivated to drive company's goals and vision. All these are interesting developments in the Ghanaian banking sector which places HRM at the Centre and it is worth noting.

3.4.4 HRM in Ghana

In Ghana, collectivism is the order of the day because the family orientation is the extended type and as a result, selection and recruitment are normally based on favouritism, nepotism, and tribalism. As previously stated, Ghana is a developing country found in the West African sub region, which shows great prospects in developing a fertile environment for business growth of which HRM plays a vital role. As an infant capital market, the country boasts of several new entrants in the business environment who have spurred on intense competition causing most businesses to reposition themselves and adopt strategies that will guarantee market share and survival. Major amongst most business restructuring programs is a growing awareness for strategies that will ensure utmost utilization of their human resource, which most companies gaze at as their greatest asset. With such a vivacious business environment Ghana is definitely the choice for studying an ever-changing phenomenon like HRM in context.

HRM in Ghana has been shaped by several factors ranging from historical, political, economic, as well as cultural and institutional factors. Historically, Ghana's exposure to the Western system of HRM is traced to the association with British colonial administrators in the 18th century who implemented them for the effective running of institutions they had set up. This was however, localized in the post-independence era with the new Africanization drive introduced by Kwame Nkrumah the then president of

the first Republic of Ghana. Other political administrators also left an indelible mark on the HR function due to the need to mould practices to suit their political agendas. Thus, the HR function went from that of mediatory through monitory, to that of general overseer of government contracts with trade unions, (Debrah 2001).

HRM practices in Ghana have been largely influenced by two main economic programmers' the Economic Recovery Programme (ERP) and the Structural Adjustment Programme (SAP). The ERP is a four-year economic programme launched in 1983 by the government in collaboration with World Bank and IMF. This was aimed at addressing economic imbalance and promoting growth liberalization. The focus was to create a favourable environment that will attract foreign investments into the country; this subsequently led to the adoption of more prudent administrative measures, and restructuring of different sectors especially the financial sector, (Agyekum and Synge, 1993). On the other hand, the SAP had a direct impact on the HR function by exposing the weaknesses in HRM systems in organizations in Ghana. For instance, the inadequate means for assuring the income security of retired workers in both public and private sector was exposed (Debrah, 2001). This led to workforce restructuring, liquidation, and privatization of most of the countries loss-making public enterprises. A more competitive business environment was created ushering in a new era of HRM whereby human resources was deemed strategic and necessary in the new robust business environment. It is interesting to note that HRM in Ghana is not a very new area of study, however, the very few research that has been conducted have focused on the manufacturing (see for example Gyampah and Gargeya 2001) and human resource development in the health

sector (see for example Sagoe 2005) with virtually nothing on the financial service sector. This makes the banking sector a relatively new area of study worth delving into.

3.5. Population and sample size

The target population for this research work is said to be the total number of workers at the rural banks in Sekyere Kumawu and Sekyere East districts in Ashanti region comprising management staff, senior staff (administrative and technical), junior staff (administrative and technical) and menial staff or labourers. Hundred (100) respondents were selected for the study and out of which eighty (80) responded.

3.6. Sampling techniques

Sampling is a technique of selecting a representative which is part of a population for the purpose of determining the characteristics of the whole population. The two types of sampling technique are probability sampling technique and non-probability sampling technique. Probability sampling technique is where a sample is selected using random selection such that each unit in the population has a known chance of being elected. With non-probability sampling technique, a sample is selected using a random selection technique. A sample is selected based on the assumption that there is an even distribution of characteristics within the population. This makes researchers believe that any sample chosen would be representative and because of that results will be accurate.

The purposive sampling which is a type of non-probability sampling technique was used for this study. Purposive sampling technique aids the researcher to collect data in the most practicality manner in order to be able to answer research questions and ultimately

achieve the objectives of the research (Saunders et al., 2003). It was a sample of both sexes comprising thirty-eight (38) males and twelve (12) females each from both banks respectively.

3.7. Data Collection Instrument

This research adopts questionnaires and interviews as the main data collection instrument. The use of these approaches will enhance the respondents to express them in a way, which is in relation to the subject being studied. The questionnaire contained both close-ended and open-ended questions. The close-ended questions were multiple-choice questions based on the specific objectives of the research which give respondents the chance to make a choice from a range of answers. The open-ended questions were bendable which gave respondents the chance to provide additional information. The questionnaire was printed according to the chosen sample size which will be distributed to the respondents. The researcher established contact with the managers who then introduced him to the working staff after which permission was sought to administer the questionnaire. If the wrong respondents are interviewed, the research may turn out to be invalid or worthless since the responses will not reflect the exact situation prevailing on the ground.

3.8. Questionnaire Development

Two sets of questionnaire were developed. One set of questionnaire for workers in the rural-based banking sector and the other for management in the same establishments. Appendix 'A' has to do with questions for senior management which focuses on HRM practices. These include recruitment and selection, training and development, pay and

remuneration, employee involvement and performance appraisal. Appendix 'B' looked at the background information of respondents and questions for workers and interview guide for management.

3.9 Interviews and interview guide

Interviews remain the most common method of gathering data in qualitative research. Kvale (1983:174) defines qualitative interviews as; “*an interview whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of meaning of the described phenomena*”. It is very useful especially when an understanding is sought into the meaning of concept and has the ability to bring out a true descriptive view of situations. Apart from the well-known face to face interviews, interviews can be carried out by telephone or via internet. Sanders et al (2003) categorize interviews into the following sub headings defined in the ensuing paragraph.

Structured interviews which involve the use of questionnaires based on predetermined set of questions. Secondly, **semi structured interviews** which combine a partly structured agenda with flexibility to ask subsequent questions. Semi structured interviews also give both the researcher and the respondent an exploratory view of the phenomenon prelude to the conduct of a face to face interview or telephone interview. As supported by Yin (2002) exploratory cases are sometimes considered as prelude to social research and questionnaires enables researchers to explore concept in context prior to a major study. However, the structure may vary and interviewees are encouraged to answer other questions that may arise during discussions so far as they remain in the context of the research question. Thirdly, **unstructured interviews** which allow interviewees to express

themselves freely so far as what they say are within the topic of interest. It is also referred to as in-depth interview. The research used semi structured interviews to collect the data as it provides a flexible environment for discussion.

Knowing the secrecy attached to banking information let alone HRM policies, which can influence a company's competitive advantage, a letter of permission as well as an undertaking was written to the banks HRM department and these were delivered by employees in key positions at the two banks. Upon agreement for a direct assessment of the company, each of the banks then assigned a correspondent in their Human Resource Department (HR) responsible for providing data, arranging phone interviews with senior management as well as giving clarification as and when needed.

First, a semi structured interview in the form of a questionnaire was sent to each correspondent to give an overview and description of the various practices in the company. Questions asked include company history, a description of their HR department and also HRM practices and how the company goes about each of the five practices of recruitment and selection, training and development, performance appraisal, pay and remuneration scheme and employee involvement (sample questionnaire is provided in Appendix A). This gave an insight into what is to be found in each bank and aided in narrowing down to focus on salient practices which then formed questions for the phone interviews with management. Three phone interviews were conducted in each bank to prevent subjective interpretation of information, with HR personnel, Management and employee. Range of duration for the interview was between thirty minutes and one hour. Overall, an all-inclusive methodology was employed to ensure reliability and validity of the study. First and foremost, the use of documented information available in

companies' employee handbook, induction package, and annual reports gave a general view of what companies say they practice. Secondly, the follow up investigation using primary sources served as reference points and a source of comparison to test for consistency of information provided.

3.10. Data Analysis Techniques

After collecting data from the field the next stage is the analysis of the gathered data. Zikmund, (2000) explains that the omnibus and rescheduling of field data involves several procedures and processes, which are consistent in ensuring good and acceptable analysis, which will eventually conclude into presenting the finding of the research. For this research, the compilation of the field data is done using Statistical Package for Social Science [SPSS]. After the assemblage, the data is exported to MS Excel where the analysis is done thoroughly. The analysis churns out the findings in the form of charts and other figures. The presentation of the findings is also done using MS Word.

3.11. Organizational Profile

3.11.1 Brief introduction of Ashanti Region

The Ashanti Region is located in south Ghana and third largest of 10 administrative regions, occupying a total land surface of 24,389 km² (9,417 sq mi) or 10.2 per cent of the total land area of Ghana. In terms of population, however, it is the most populated region with a population of 3,612,950 in 2000, accounting for 19.1 per cent of Ghana's total population. The Ashanti region and Asanteman is known for its major gold bar and cocoa production and also harbors the capital city of Kumasi.

Ashanti is an administrative region in Ghana centrally located in the middle belt of Ghana. It lies between longitudes 0.15W and 2.25W, and latitudes 5.50N and 7.46N. The region shares boundaries with four of the ten political regions, Brong-Ahafo in the north, Eastern region in the east, Central region in the south and Western region in the South west.

Most of the region's inhabitants are Asante's, one of Ghana's major ethnic groups. Most of Ghana's cocoa is grown in Ashanti, and it is also a major site of Ghana's gold-mining industry.

3.11.2 History of Ashanti Region



Figure 3.1 Map of Ashanti

Source: Google 2014

Map of Ashanti Region

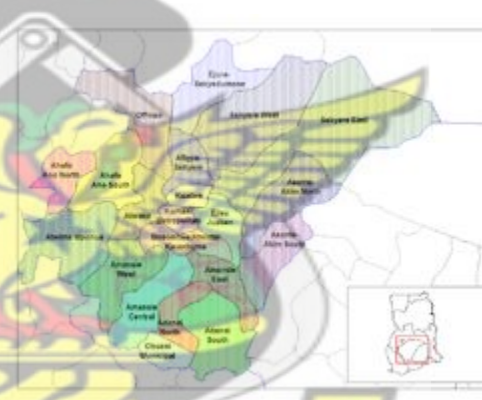


Figure 3.2 Map of Ashanti with districts

Source: Google 2014

Map of Ashanti Region with the Districts

3.11.3 Brief history of Ashantis (Asante)

Asante (Ashantis) constitute the largest of the various subgroups of the Akan, who trace their origins partly to Bono-Manso and Techiman, in present-day Brong-Ahafo Region. They constitute 14.8 per cent of all Ghanaians by birth, and 30.1 per cent of the total Akan population of 8,562,748 in the country. Various oral traditions have it that the Asantes migrated from various places through Bono-Manso/Takyiman (Techiman) to present day Ashanti Region.

As a united people, they started with a nucleus of the Oyoko clan around Asantemanso. After several years of subjugation by other empires, such as the Akwamu and the Denkyira, Asante eventually grew to be a very powerful empire founded by King Osei-Tutu I (1695-1717), after defeating the Denkyira King Ntim Gyakari during the battle of Feyiase (Buah, 1998).

Ironically, King Osei Tutu I had spent his childhood days in the court of the Denkyira King, according to custom, and had escaped from there to Akwamu where he met his lifelong friend and spiritual mentor, the legendary Okomfo Anokye. It is believed that it was through Okomfo Anokye's extraordinary supernatural powers that King Osei Tutu founded the Ashanti Empire; as he is said to have commanded the Golden Stool to fall from "the heavens", the stool which, to this day, serves as the symbol of the spirit, unity and strength of the Ashantis. At the height of its glory, the influence and culture of the Asante Kingdom stretched beyond the borders of the present day Ghana. The Ashanti were able to preserve what was best in Akan culture, including the use of gold dust as currency and gold weights as a measure, which system was actually originated by the

great Bono (Brong) King Akumfi Ameyaw I (1328-1363) (Buah, 1998). The Asante fought many successful wars against the Denkyira and their allies including the Wassa, the British, the Fante, and even the Bonos (Brongs). Indeed it was the Ashanti King Opoku Ware I who defeated the Bonos in 1723 and destroyed Bono-Manso, forcing the Bono Empire to move its capital from Manso to present day Techiman. The Ashanti Empire eventually collapsed with the defeat and exile of King Prempeh I, first to El-Mina Castle and eventually to the Seychelles Island.

Not even the last stalwart stand by the great warrior Queen Yaa Asantewaa could revive the fame, fortune and power of Ashanti. However, the culture, kinship and social structure of Ashanti, like many of the other Akan groups, has been preserved and maintained to the present day, and underlines the cultural heritage, not only of the Asante, but of the entire Akan ethnic group. The present Asante King (Asantehene) Osei Tutu II is a direct matrilineal descendant of Osei Tutu I.

3.11.4 Brief introduction of KRBL and ARBL

The preference of the two banks is due to their strategic position in the banking sector. Kumawuman Rural Bank Limited as an indigenous local company that has operated in the country for years, people associate its success and dynamic nature to its limited ownership and asset. It was incorporated in October, 1983 as a rural banking institution and has since built a reputation as one of the best rural banks in Ghana. The bank was established under the auspices of Kumawuman Biakoye-Kuo by Kumawu citizens resident in the Greater Accra. The late Nana Akwasi Amoakohene, Dr. Kwabena Doffuor (former Governor, Bank of Ghana and former Minister of Finance and Economic

Planning), and Mr. Kwaku Barfi were among the pioneers who worked hard to bring the bank to Kumawu Traditional Area in the year 1981. The bank currently has ten (10) branches located in Ashanti Region of the country. On the other hand Asokore Rural Bank Limited is one of the indigenous banks established on the 15th day of December, 1980 to serve the less affluent in society because majority of Ghanaians could not meet the demands and requirement of the foreign banks. The 'Buffalo' was chosen as the Bank's logo since it is the totem of the Asokore Ekouna Clan into which the Bank was born. The bank currently has seven (7) branches located in Ashanti Region of the country. In all there are one hundred and sixty-three workers on the payroll of Kumawuman Rural Bank Limited and also ninety-eight workers on the payroll of Asokore Rural Bank Limited.

Together, the two banks employ about one-third of the banking workforce and are leaders in their own respective ways in the industry.

Conclusion

In conclusion, the study adopted a mixed method approach. This involved the use of questionnaire and semi-structured interviews to collect data from (80) respondents from rural-based financial institution. Both the qualitative and quantitative data collected were analyzed using a number of methods, including frequency analysis and content analysis. HRM practices in these two banks will give insights into diverse management practices found in Ghana. Thus, these two banks are appropriate cases needed to address the research aims of this study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS

4.1 Introduction

The previous chapter dealt with the methodology employed to achieve the set objectives and that of organizational profile of the company. This chapter looks at the data presentation, data analysis, and discussion of findings.

4.2 Sample and Response Rate from Respondents

The study used a sample of 100 respondents. This comprised 80 from workers and 20 from management. However, there was no understandable reason for the questionnaires which were not submitted; but the researcher deduced that it could be as a result of the researcher's inability to contact these respondents.

4.3 Demographic Characteristics

This deals with the discussion of some of the demographic characteristics for the respondents involved in the study. The characteristics discussed include gender, age, educational qualifications, marital status, number of years served as employees/workers. These are highlighted under the following headings.

4.3.1 Gender of Respondents

It can be seen from the figure 4.1 below that out of the total of 100 respondents (management and workers), 76 are males which forms 76% while the remaining 24

representing 24% percent are females. It is therefore stands to suggest that for both management and workers, the males involved in the survey are more than their female counterparts.

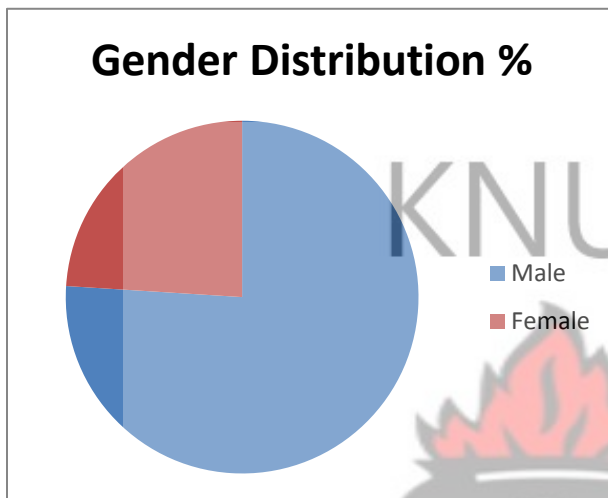


Figure 4.1 Gender Distribution

Source: Survey 2014

4.3.2 Age of Respondents

The demographic characteristics sought to find out about the age of respondents (both workers and management). As seen from fig 4.2 below, it was revealed that a greater 64 percentage of the workers were of ages from 20 to 29 while 50 percent of the management members were of ages between 40 and 49 years. Also, 32 percent of the workers indicated that they were of ages between 30 and 39 while, minority of them fall between the ages of 40 and 49 years. On the other hand, 6 percent of the management members fall within 50 and above years, 40 percent of the management members were of ages from 30 – 39 years and 4 percent of them were of age 29 years (see Figure 4.2)

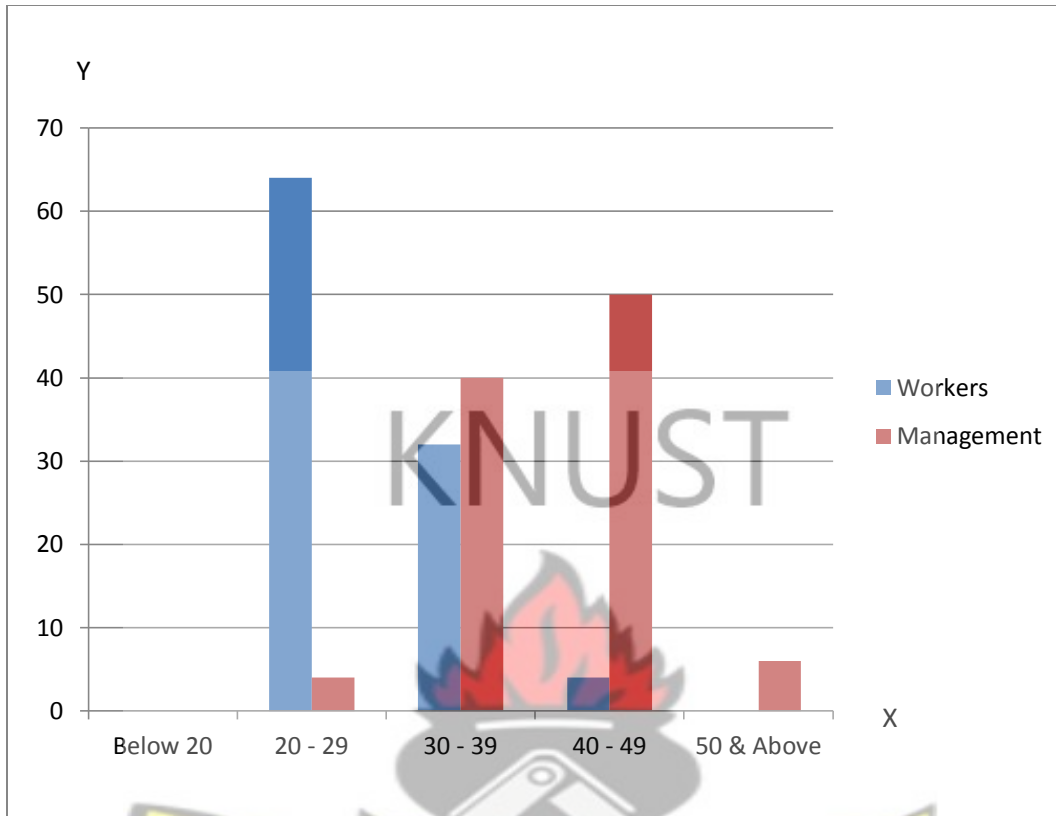


Figure 4.2 Ages of Respondents

Source: Survey 2014

4.3.3 Respondents' Educational Qualification

Another important area touched by the researcher has to do with the educational qualifications of the various respondents involved in the survey. The data from the field survey revealed that 40 percent of the management members, which is the majority, have attained DEGREE level while 36 percent have HND qualifications. Also, 16 percent have other qualifications. 8 percent revealed that their highest educational level was GCE 'A' LEVEL as portrayed by figure 4.3 below. On the other hand, most of the workers said that their highest educational level was SSSCE/WASSCE which forms 56 percent. With

32 percent and 4 percent gave the indication that diploma and degree were their highest educational qualifications. 8 percent of the workers gave the indication that their highest educational qualification was GCE 'O' LEVEL. It can therefore be said that the educational qualifications for both workers and management involved in the survey is quite impressive and will therefore promote effective delivery of services in these rural-based banks.

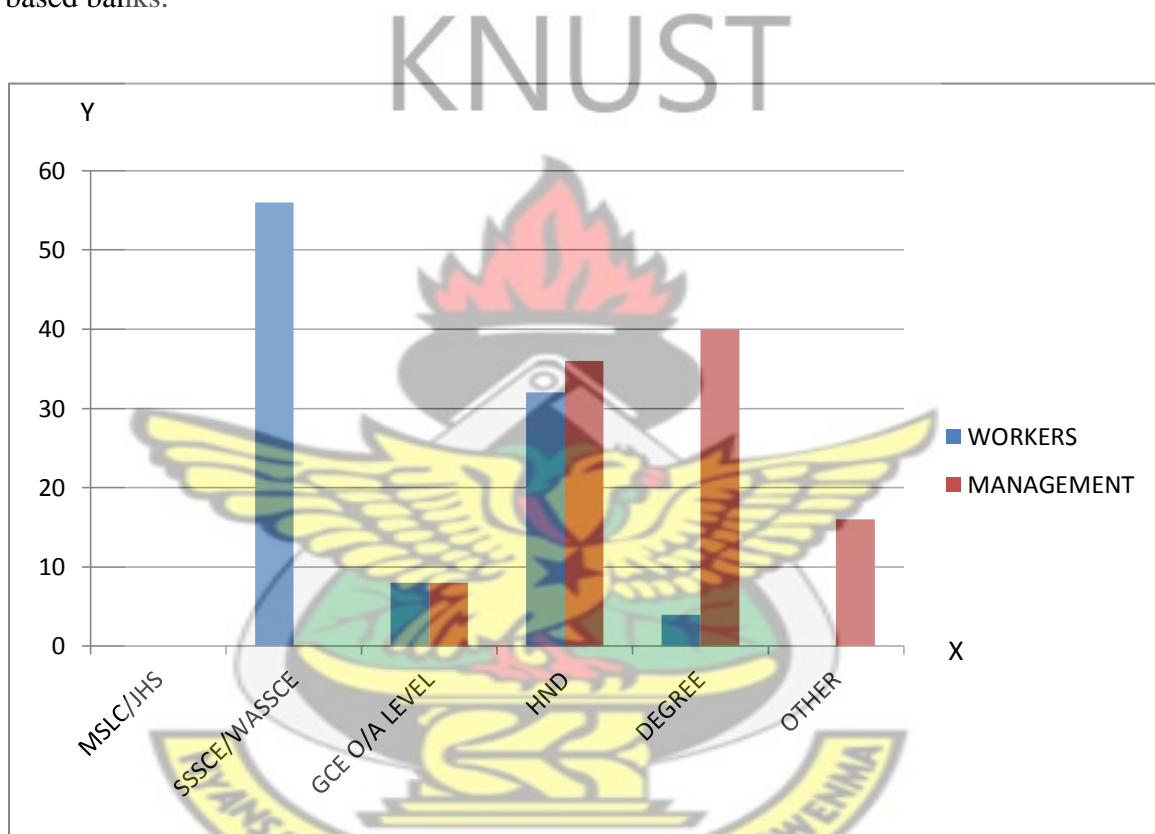


Figure 4.3 Respondents' Educational Qualification

Source: Survey 2014

4.3.4 Respondents' Marital Status

On the marital status of both management and workers, the results from the field survey made it clear that 34 percent of them are single while 66 percent are married. The data therefore came up with the fact that a greater percentage of both management and workers involved in the survey are married (see Figure 4.4)

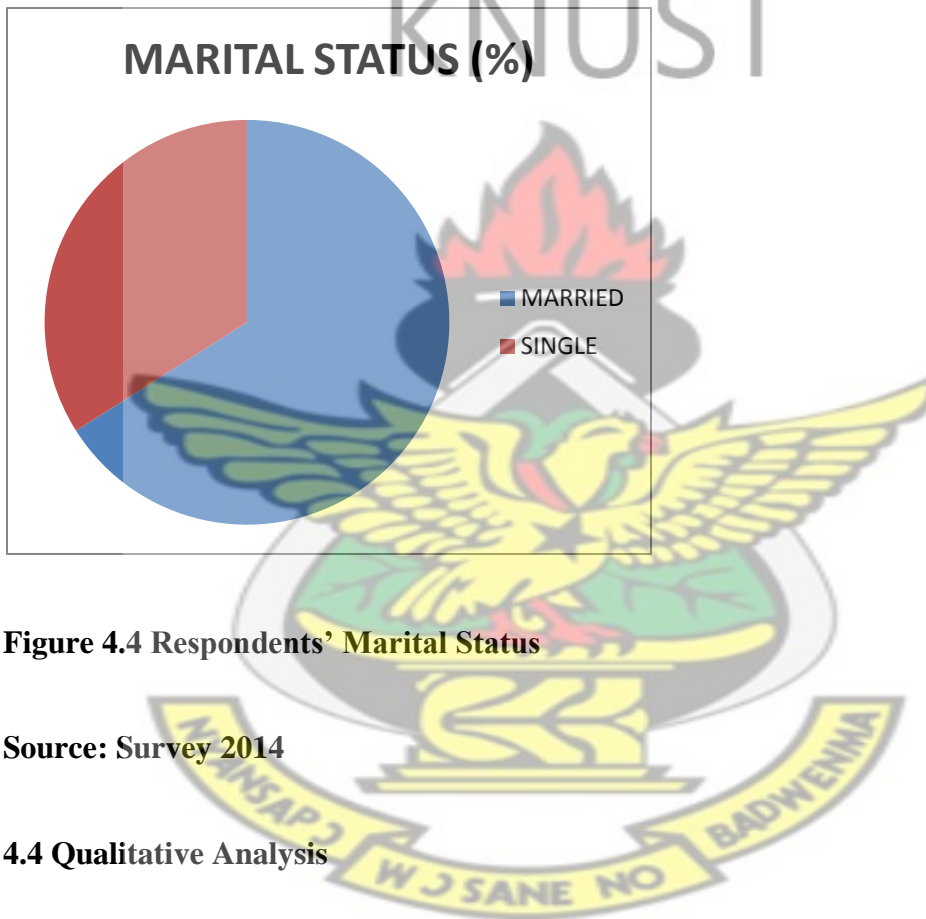


Figure 4.4 Respondents' Marital Status

Source: Survey 2014

4.4 Qualitative Analysis

Qualitative analysis emphasizes an integrated view of speech/texts and their specific contexts. This goes beyond merely counting words or extracting objective content from texts to examine meanings, themes and patterns that may be manifest or latent in a particular text. It allows researchers to understand social reality in a subjective but scientific manner.

4.4.1 Comparative analysis of the two case studies

From the two cases presented, evidence of the varying approaches to HRM is supported. Both banks do have a well-organized HR department with same or similar functions. However, the point of distinction comes in when one takes a look at their varying interest and objectives and the role HR plays in driving these goals. It is seen as vital function that plays a strategic role in driving organizational goals as such the departments represented on the board of directors and coordinates the affairs of the various departmental functions. Again, both banks display the knowledge of the significance of HRM but the manner in which this is acknowledged in management practices differs from one bank to the other.

Table 4.1 HRM practices and the level of importance attached to them

<i>Importance of various HRM practices</i>	<i>ARBL</i>	<i>KRBL</i>
<i>Recruitment and Selection</i>	Significant	Significant
<i>Training and Development</i>	Significant	Significant
<i>Performance appraisal</i>	Significant	Quite significant
<i>Pay and Remuneration</i>	Quite Significant	Quite significant
<i>Employee involvement</i>	Significant	Significant

Sources: interviews and employee handbook

Interpretation

“Significant”: high priority on management agenda. Most of the respondents said management is more concerned about the HRM practices being carried out in the organization.

“Quite significant”: not all that significant on management agenda. Some also said HRM practices are not all that important as far as management is concerned.

HRM is more of a cyclical concept in which investment is made in employees in return for maximum outputs for business success. This view gives support that in most businesses, employees are more of a means to an end but to clarify this point, there is the need to reinforce that businesses survive on profits and employees when treated as assets can boost business profits, which will in turn increase their share in organizational gains.

Table 4.2 Management of the various HRM practices

<i>Management of HR practices</i>	<i>ARBL</i>	<i>KRBL</i>
<i>Recruitment and selection</i>	Central	Central
<i>Training and development</i>	Shared	Shared
<i>Pay and remuneration</i>	Shared	Shared
<i>Performance Appraisal</i>	Shared	Shared
<i>Employee involvement</i>	Shared	Shared

Sources: interviews and employee handbook

Interpretation

“Shared”: managed by line managers in conjunction with Central HR department. This has to do with line managers coming on board to make the practices work to perfection by sharing responsibilities.

“Central”: performed solely by Central HR department. This is where the responsibilities lie on the central HR department to undertake.

The view of country specific HRM is supported here, however this is in relation to institutional structures that enhance practices and those that restricts. From the study it can be concluded that a shared environment does impact HRM but this impact can be realigned with company goals and objectives. This reinforces the view that societal embeddedness does affect organizational practices but does not restrict them. Thus, even in the same country and the same sector there are different interpretations and approaches to the same HRM practices. Most of the respondents said management in the rural banks are a shared responsibility as branch managers see to it that the objectives of the organization is carried out to the latter.

Table 4.3 Situational factors that influence HRM practices in ARBL&KRBL

Influential factors	ARBL	KRBL
Business Strategy	High	High
Management Philosophy	High	High
New technology	Moderate	High
Labour Market Conditions	Moderate	Moderate
The law	Low	low

Sources: interviews and employee handbook

Interpretation

“High”: influences HRM practices and policies. **“Moderate”**: slightly influences HRM policies and practices **“Low”**: has no bearing on HRM policies and practices. Here, it is all about factors that influence HRM practices and policies in the organization. ‘High’

talks about factors that influence HRM practices and policies, ‘Moderate’ this has slight influences on HRM practices and policies and ‘Low’ has to do with factors that have no bearing on HRM practices and policies in the organization.

The concept of isomorphism suggest that with time, institutional structures and pressures will create similarities in organizational practices is fully supported by the evidence from this study. Both companies (KRBL and ARBL) have virtually the same labelling in HR practices there is a slight difference in procedure as such it can be said to have taken place in labeling, in that, both have an HR department but not in function and procedure.

Table 4.4. Overall HRM outlook in ARBL & KRBL

Characteristic	ARBL	KRBL
Competitive Strategy	Quality/ Brand image /customer service	Quality/ customer service/technological advancement
Position of HR within Company	Coordinator of the various departments and functions	Coordinator of the various departments and functions
Role of HRM function	Strategic/proactive	Strategic/proactive
Union Presence	Two workers union	Two workers union

Sources: interviews, 2014

Here, both banks are still regarded the market influential in the sector, both do regard the new entrants in the market as a possible threat to their market share. As such the banks are focusing on creating distinctive practices to set them apart from their competitors. Both Banks regard their employees as the image of their brand and invest heavily in good practices to ensure high caliber employees that reflect their high quality of service. The study supports Pettigrew and Whipp (1991) view that a competitive market economy spurs on the adoption of an equally strategic approach to management practices in organizations.

In summary this chapter presents the various interesting findings made in the two banks studied taking particular interest in their understanding and practice of the HRM concepts well as influential factors that explain their current HR outlook. The following chapter discusses the various findings in relation to the research aim and objectives which include the examination of HRM in Ghana, factors that affect HRM and various HRM practices included in the findings and how that has affected the current HRM outlook in the country. Other issues raised in the literature concerning African management are also addressed.

4.5 Discussion of Findings

4.5.1 Competition spurs on changes

HRM gave the view of a highly bureaucratic and administrative function that is far from being strategic in organizations business orientation see for example (Debrah 2001). This view has to be revisited considering the evidence provided from the two banks studied. Both banks are transforming their HR department to conform to high standards set by the extremely competitive business and market environment. Furthermore, the bank adopted a new Culture Change Program to realign employee interest with that of the organizational interest. This portrays a gradual reawakening from the once highly technical and administrative function of HRM to a more strategic employee oriented management practice.

4.5.2 HRM the Ghanaian outlook

The two case studies presented, provide various approaches to HRM. This supports the Guest (1987) view that though organizations operate under the broad label of HRM there are variation in interpretation and procedure. Thus, though some view HRM as a change in name due to the need to conform yet still others adopt the name HRM to mark a new phase and change in strategy of management in regards to employee matters. It is interesting to note that over the years, research conducted in HRM in Africa has hardly given recognition to the different approaches to the term hence the constant debate on the make-up of African HRM. This can be attributed to the use of quantitative research methods that only give an overview of issues leaving out vital details and descriptions.

Again, differences in HRM are in direct link to different organizational goals, strategy and ownership giving support for the contingency theory. The theory, which calls for the need to assess management practices according to business context, factors in company specifics such as number of years in operation, origination, culture, goals and interest. For instance, KRBL focuses on delivering high quality service using high technology and hence employee training lays emphasis on equipping employees with the necessary knowledge and skill to operate. On the other hand, ARBL seeks to realize company goals through innovation and diverse product offer and as such, training focuses on personal development to boost employees' creativity and innovative skills. A company's internal factor has a highly influential effect on its HRM practices and procedure.

Contrary to what is already provided, this study suggests that employee involvement has gained precedence in the HRM practices of Ghanaian organizations. Evidence from the study suggests that practice is fully integrated in HR practices in Ghana. However, the difference lies in the attention and significance attached to the practices as compared to other practices such as recruitment and selection, reward and training.

Alternatively, according to the literature, performance appraisal is an important HRM practice in the Ghanaian organization but differences exist in procedure and essence. This is because promotion is not given unless there is supporting evidence of outstanding performance.

4.5.3 HRM and the African Management perspective

From the literature reviewed, there is a general view that HRM in Africa has to be assessed according to the African context even to the extent of developing an African management model (see for example Kamoche 1997). This study offers a different perspective of this view. Evidence from the case studies points out that, although both banks share a common environment their HRM practices differ. This implies that HRM reflects company goals and objectives more than the environment in which companies operate. If such differences in practice exist in one country, then the concept of an African model of HRM is debatable. The essence of HRM as motivating employees to drive company goals should remain the focus of HRM discourse. The environment does not necessarily restrict companies but rather provide the necessary framework, which companies can manipulate to suit their interest. This point is further enhanced in the following paragraph.

4.5.4 The descriptive verses the essence of HRM

HRM is more of a cyclical concept in which you invest in employees in return for maximum outputs for business success. This view gives support to Legge (1995) point that in most businesses, employees are more of a means to an end but to clarify this point, there is the need to reinforce that businesses survive on profits and employees when treated as assets can boost business profits, which will in turn increase their share in organizational gains. The “*straight jacket*” HRM perspective as supported by the hard and soft versions has to be revisited and the diversity in understanding HRM as suggested by Hendry and Pettigrew (1990) Keenoy (1999) and Smith and Meiskins has to be highly considered.

4.5.5 HRM and Organizational success

Several studies have linked HRM to organizational success and evidence from the two case studies supports this general view. Both banks saw the need to adopt the concept HRM even if their functions are yet to reflect a change in practice, this is attributed to the general view that HRM delivers results. This calls into question the role of HRM in ensuring company’s success. From the cases presented there is no doubt HRM plays an instrumental role in the company’s success however it must be noted that other company specifics such as goals, assets, technological advancement and competitive strategy go hand in hand with HRM in realizing company goals. KRBL for instance focuses on its expansion as their competitive advantage as such stresses on compliance to enable them have a more effective and efficient management system and ARBL stresses on flexible practices, partnership in realigning employee goals to that of the organization as well as

innovation management to ensure the bank maintains its leading role in offering diversified products. Thus HRM is instrumental in realizing company goals but has aligned with other organizational strengths in ensuring company success. This is what is termed as purposeful HRM and that is what this study suggest is the realistic practice.

4.5.6 Reinforcing features of HRM

Throughout the literature reviewed, there is an underlying theme of decentralization of responsibility to line managers in HRM; this point is further enhanced using evidence from the two case studies. Line management is not a mere feature but also a necessary one especially in a centralized HR system. Both companies have a centralized system due to their quest for uniformity however, this denies direct access to employee assessment and monitoring and hence the reliance on line management to correspond between the HR department and the various branches. Line managers are the representatives of HR department not merely as a feature of HRM but as a matter of feasibility: a emergence of what ought to be and what is.

The concept of reward is also addressed in this study. As stated in the literature reward is in accordance to value and here value is relative. Using the two case studies of KRBL and ARBL, it is obvious both differ in their interpretation of value. The former sees value in seniority and qualification and the latter measures the value of employee in the light of recognized direct contribution towards company's success. Value here is relative and not always attached to performance.

4.5.7 Societal influence on HRM practices

However, it is interesting to note that total convergence has not yet been realized in the two case studies presented. This implies that the collectivist view is gradually giving way to individualism in certain organizations in Ghana. It must however, be pointed out that both views are catered for the two banks as they stresses on both teamwork and individual performance, leaning towards the crossvergence view that points out that practices found in organizations in a country will not only reflect the external influence but will be the merger of both internal and external influences.

From the study, organizations do not blindly conform to country's specific practices but rather adjust to environment taking in what is feasible and what is not feasible and this determines what they practice. For instance lack of good address system prevents ARBL and KRBL to perform the pre requisite screening in recruitment process however this is compensated in their extremely stringent selection method that ensures the best in the market in terms of qualification and the probationary period. This supports the view of the contingency approach which point out that organizations do not necessarily conform to societal pressures without giving a second thought to their interest and business strategy.

Conclusion

In conclusion, the chapter reviewed the various factors that influence HRM and also takes a second look at the literature reviewed in the light of findings made in the two banks that were used as case studies in this research paper. From all indication, HRM is given different interpretations in different organizations. It is however revealed that one cannot

judge best practices from interpretations given; from the two case studies both banks do have an efficient HRM system that delivers results. Therefore HRM can be said to be people management practice that delivers results in terms of seeking employee welfare in consonance with driving organizational goals and success.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter four dealt with the analysis, discussion and presentation of the findings from the data collected from the field of study. This chapter deals with the summary of findings, conclusions and recommendations. The various data will be analyzed with the aim of establishing valid points in answering the research questions so as to achieve the research objectives and ultimately come out with the relevant conclusions and recommendations for the topic under discussion.

5.2 Summary of Findings

The findings have several implications, first of all the diverse HRM practices found implies that the concept has different meanings to organizations but in the end the essence of employees as assets is achieved albeit though differently. Again, the organizations do give in to institutional pressures but in the end companies' interest remains a top priority in decision making as predicted by Smith and Meiksins (1995). Institutional factors help organizations make informed decisions rather than restrict them. Another point is that organizations are likely to adopt more strategic HRM practices in the face of intense competition.

Moreover, smaller organizations are likely to have their HR department strategically placed than large organizations. HRM practices are likely to continue dominating

management literature for years to come. This is because of the diversity it presents, the realization that people will remain an organizations one and only asset and a good source of competitive advantage necessary for organizational success in the volatile environments in which businesses operate today.

Finally future studies should concentrate on other sectors such as education, mining and forestry which have received little attention in Ghanaian management studies. There is the need for further studies in Ghana and Africa as a whole to serve as a framework for potential investors seeking to do business in Africa.

5.3 Conclusions

To conclude, Organizations all over are rushing to implement the latest ideas on management, sometimes to the point of overuse. The major challenge now for banks as well as any other organization is therefore how to develop their social architecture that generates intellectual capital as the quintessential driver of change. Developing the individual or human capacity is an integral element of building capacity and, in fact, capacity building initiatives are now increasingly becoming almost an index of institutional quality. Taking the banking industry to the heights of excellence, especially in the face of the forehead-detailed emerging realities, will require a combination of new technologies, better processes of credit and risk appraisal, treasury management, internal control and external regulations and, not the least, human resources.

In conclusion, the study has produced support that selected HRM practices and business strategies, in particular the training and development, recruitment and selection, performance appraisal, employee participation or involvement and pay and remuneration

appear to be closely associated with service quality and that a higher level of firm performance is associated with technical innovation as well. Two implications can be drawn from these results. First, in order to drive quality service, it might be useful for service firms to focus on training and development, recruitment and selection, even though by simply practicing this, it may lead to high levels of organization quality service, at least in the short-term. Second, employee participation and pay and remuneration strategy is certainly very important for firm growth and delivery of quality service in the longer term.

5.4 Recommendations

The review of various studies conducted on HRM practices shows that there are several factors inside and outside the organization that affect HRM practices and the HR managers should carefully analyze these factors while designing the HRM practices. From all indication HRM is gradually gaining grounds in Ghana however, there is the need to reposition the concept to realize maximum gains from its practice.

In the first place, **due consideration** should be given to link the HRM practices with the long term objectives and the strategies of the organization.

Also, the **HRM practices should be evaluated** from time to time by conducting a survey among the employees and the provisions should be made to incorporate changes from time to time.

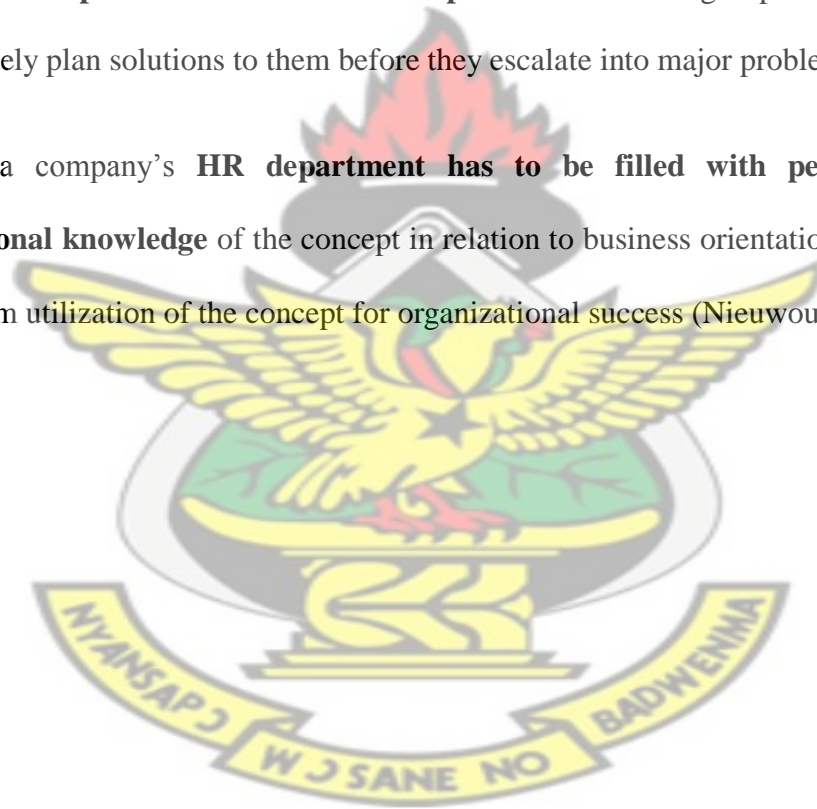
Furthermore, **HRM has to be placed strategically** in the organization such that the objectives of the organization would be achieved so as to enhance organizational success.

Moreso, **HR (Human Resource) departments must be empowered** and have full knowledge of the companies' business strategy, needs and objectives and should be in the position to take initiatives and make contributions to organizational progress.

In addition, **HRM department must have a member on the board of directors** that will ensure organizational interest so as to align with employee interest in management decisions.

Again, **HR department has to be more proactive** in finding departmental needs and deliberately plan solutions to them before they escalate into major problems.

Finally a company's **HR department has to be filled with people who have professional knowledge** of the concept in relation to business orientation so as to realize maximum utilization of the concept for organizational success (Nieuwoudt 2007).



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APPENDICES

QUESTIONNAIRE FOR WORKERS IN THE RURAL-BASED BANKING

SECTOR.

This is an academic research being undertaken by a Master of business Administration Student of Kwame Nkrumah University of Science and Technology (KNUST). This questionnaire is designed to gain an understanding of employee recruitment and retention of workers in the Rural-Based Banking Sector in Sekyere East and Sekyere Kumawu Districts of Ashanti Region. You are required to complete the questionnaire as objectively as possible. You are assured that your responses will be treated confidential since the purpose of this study is purely academic. Write or tick [/] the appropriate response to each of the question. Thank you.

NAME

DWUMAH SAMUEL

(Researcher)

SUPERVISOR:

DR. MRS. FLORENCE ELLIS

INSTITUTION

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
(KNUST)**

CONTACT

MOBILE (0243701943)

EMAIL (pozoyk@gmail.com)

DATE: 18TH JULY, 2014

APPENDIX A: QUESTIONNAIRE FOR MANAGEMENT

1. Please what is your gender? (*Tick where appropriate*)

☐ male ☐ female

2. Please select your age group

☐ below 20 yrs ☐ 20 – 29 yrs ☐ 30 – 39 yrs ☐ 40 – 49 yrs ☐ 50 yrs and above

3. Educational Level MSLC/JHS ☐ SSCE/WASSCE ☐ GCE

‘O’/‘A’LEVEL ☐ HND ☐ DEGREE ☐ PHD ☐

4. (i) Does the bank provide accommodation for its workers.....

(ii) Briefly assign reason for your answer
above.....

5. For how long have you been working in the
bank?.....

6. How many branches does your outfit
have?.....

7. What kind of incentive package do you have for your
workers?.....

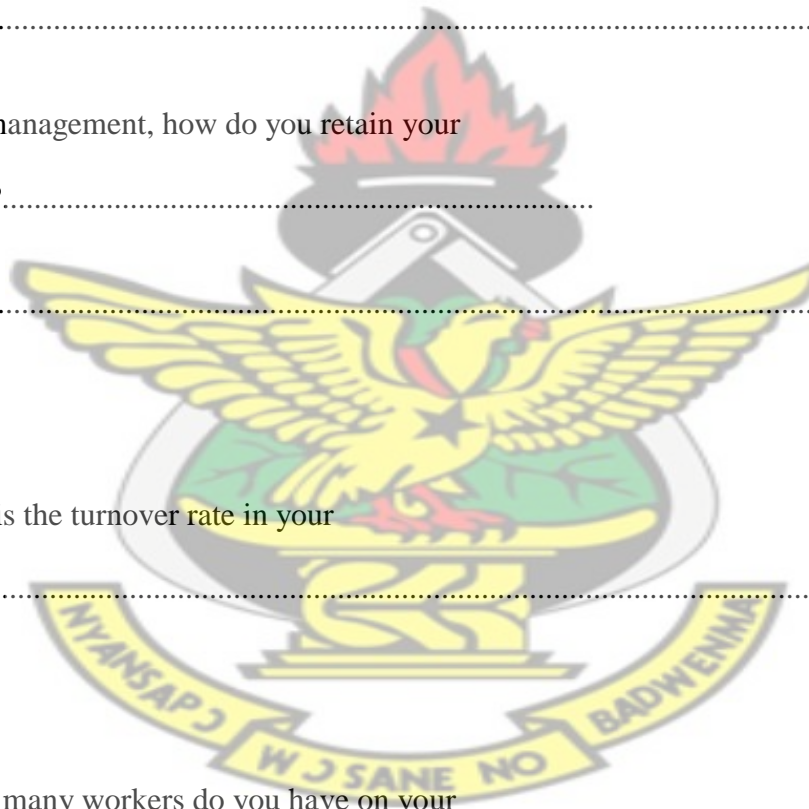
8. As a management, how do you retain your
workers?.....

9. What is the turnover rate in your
bank?.....

10. How many workers do you have on your
payroll?.....

11. What are the major activities does the bank provide for its
customers?.....

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12. How do you remunerate your workers?.....

13. How often do you organize training workshop for your workers?.....

14. How often do they leave and why?.....

15. What kind of performance package do you have for your workers?.....

While you fill up this questionnaire, please ensure that you are consulting the under-mentioned point scale { 1, 2, 3, 4, and 5 } to respond to every question. It will help you to select the most realistic option.

1=Strongly Disagree	2=Disagree	3= Neutral	4= Agree	5 = Strongly Agree
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HUMAN RESOURCE (HR) PRACTICES

I. Training and development

1 Your organization conducts extensive training programs for its employees in all aspects of quality.

1 2 3 4 5

2. Employees in each job will normally go through training programs every year.

1 2 3 4 5

3. Training needs are identified through a formal performance appraisal mechanism.

1 2 3 4 5

4. There are formal training programs to teach new employees the skills they need to perform their jobs.

1 2 3 4 5

5. New knowledge and skills are imparted to employees periodically to work in teams.

1 2 3 4 5

6. Training needs identified are realistic, useful and based on the business strategy of the organization.

1 2 3 4 5

II. Performance Appraisal

1. Performance of the employees is measured on the basis of objective quantifiable results.

1 2 3 4 5

2. Appraisal system in our organization is growth and development oriented.

1 2 3 4 5

3. Employees are provided performance based feedback and counseling.

1 2 3 4 5

4. Employees have faith in the performance appraisal system.

1 2 3 4 5

5. Appraisal system has a strong influence on individual and team behavior.

1 2 3 4 5

6. The appraisal data is used for making decisions like job rotation, training and compensation.

1 2 3 4 5

III. Employee Participation/Involvement

1. Employees in this organization are allowed to make decisions related to cost and quality matters.

1 2 3 4 5

2. Employees in this organization are asked by their superiors to participate in operations related decisions.

1 2 3 4 5

3. Employees are provided opportunity to suggest improvements in the way things are done here.

1 2 3 4 5

IV. Pay and Remuneration

1. Job performance is an important factor in determining the incentive package of employees.

1 2 3 4 5

2. In our organization, salary and other benefits are comparable to the market.

1 2 3 4 5

3. In our organization, compensation is decided on the basis of competence or ability of the employee.

1 2 3 4 5

4. The compensation for all employees is directly linked to his/her performance.

1 2 3 4 5

5. In our organization, profit sharing is used as a mechanism to reward higher performance.

1 2 3 4 5

V. Recruitment and Selection

1. The selection systems followed in our organization are highly scientific and rigorous.

1 2 3 4 5

2. In our organization, line managers and HR managers participate in selection.

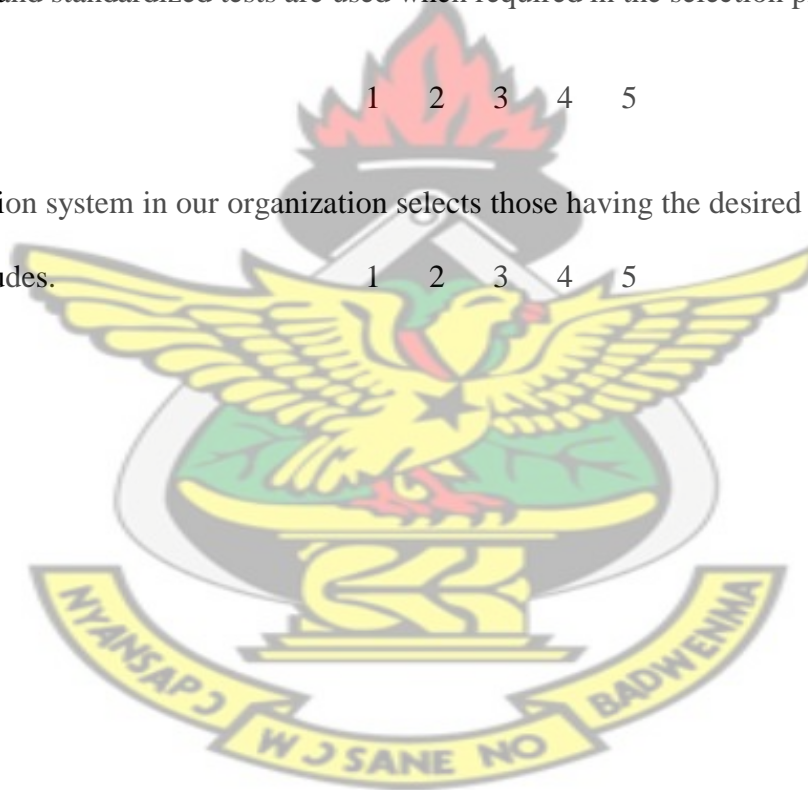
1 2 3 4 5

3. Valid and standardized tests are used when required in the selection process.

1 2 3 4 5

4. Selection system in our organization selects those having the desired knowledge, skills and attitudes.

1 2 3 4 5



APPENDIX B. QUESTIONNAIRE FOR WORKERS.

1. Please what is your gender? *(Tick where appropriate)*

☐ male ☐ female

2. Please select your age group

☐ below 20 yrs ☐ 20 – 29 yrs ☐ 30 – 39 yrs ☐ 40 – 49 yrs ☐ 50 yrs and above

3. Educational Level MSLC/JHS ☐ SSCE/WASSCE ☐ GCE 'O' or 'A' LEVE ☐ HND ☐ DEGREE ☐ MASTER'S ☐ PHD ☐

4. Total years of Experience with this bank?

(Please Tick your Experience Group) 1-3 ☐ 4-6 ☐ 7-9 ☐ 10-12 ☐ 13-15 ☐ 16-19 ☐ 20 or above ☐

5. (i) Does the bank provide accommodation for you as a worker?.....

(ii) Briefly assign reason for your answer above.....

6. For how long have you been working in the bank?.....

7. What is your marital status?

☐ single ☐ married ☐ divorced

8. Please indicate the bank you are working with.....

9. (I) Are you satisfied with your job as a banker?

(ii) Briefly assign reason to your answer above.....

10. Which of the following job positions do you fall into?

☐ Cashier

☐ Customer information officer

☐ Funds Transfer officer

☐ Credit officers

☐ Relationship officer

☐ Cash officer

☐ others, specify.....

11. Your position in the bank

is.....

☐ Permanent

☐ Contract

☐ Outsourced

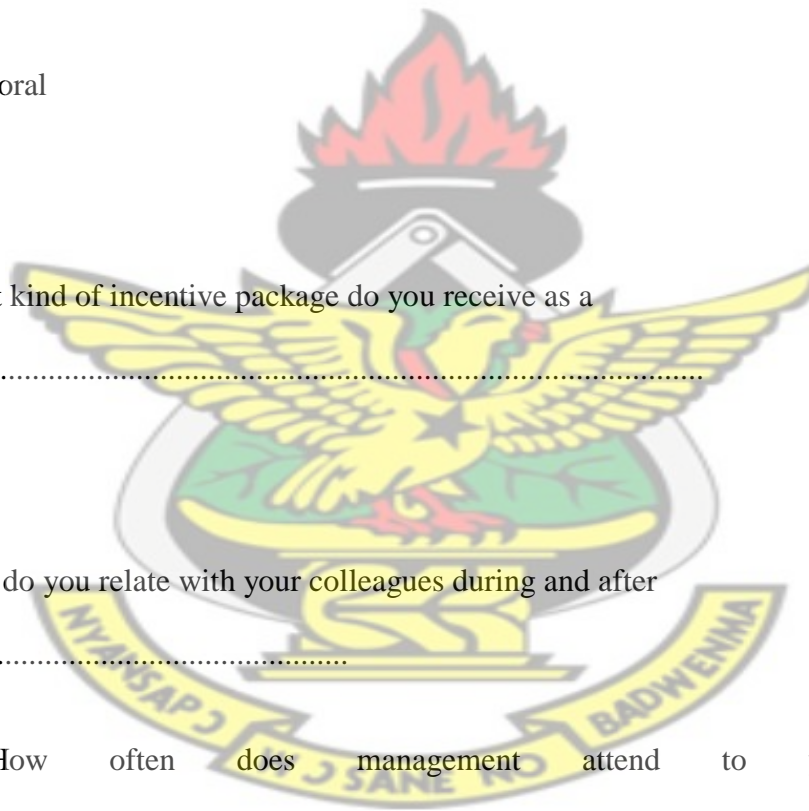
☐ Temporal

12. What kind of incentive package do you receive as a
worker.....

13. How do you relate with your colleagues during and after
work?.....

14. How often does management attend to your personal
needs?.....

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15. How often do you undergo
training?.....

16. (i) Has your training affected
performance.....

(ii) Assign reason for your
answer.....



THE INTERVIEW GUIDE

1. Do you think your organization focuses more on services than on developing HRM practices?
2. Does your organization practice HR functions such as health and safety, and good working conditions?
3. Do you carry out performance management, such as performance appraisals, motivation, reward ceremonies, evaluation, and auditing? If so, do employees obtain feedback from their managers?
4. Do you think it is important to formulate and integrate HR strategy with your organization's business strategy? If so, please give an example; if not, please explain.
5. Do you think HRM practices are still new in the locally owned business environment?
6. What do you think about the link between (hierarchical model) and 'Western HRM model' ('soft' HRM and 'hard' HRM)?
7. What medium/technique do you use to communicate with your employees?
8. What behaviour do you expect from your employees in the Bank?
9. Do you think HRM practices contributed to your bank's success?
10. What is your future expectation of HRM practices in your organization?

Thank you so much for making time for my questionnaire.

KNUST

