

HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE AMONG OFFICES IN LGU PANABO CITY

Defni Jean C. Celocia¹, Christopher S. Celocia Jr.¹, Julyna C. Villabas¹,
& **Amelie L. Chico**²

¹ Department of Business Administration Education, UM Panabo
College, Panabo City, Philippines

² Research Coordinator, Department of Business Administration
Education, UM Panabo College, Panabo City, Philippines

Email address: amelie_chico@umindanao.edu.ph

ABSTRACT

This study aimed to determine the relationship between Human Resource Management Practices on Employee's Performance among Offices in LGU Panabo City. The independent variable has an overall mean of 4.03 described as high and the dependent variables has overall mean of 3.68 described as high. The researchers used quantitative non-experimental design, with 269 employees among Offices in LGU Panabo to analyze the relationship between Human Resource Management Practices and Employee Performance. The statistical methods used in this study were weighted mean and pearson-r. The computed r-value is .541** and is associated with p- value of 0.0000, less than 0.05 as a result, the null hypothesis is rejected. Therefore, there is significant relationship between Human Resource Management Practices on Employee's Performance among Offices in LGU Panabo City.

Keywords: *human resource management practices; employee performance; local government unit panabo*

INTRODUCTION

In recent years, the need for enhanced employee's performance and recognition has surged. The value of an employee to a company is directly linked to their performance, making it crucial for both individual and organizational success. A hostile work atmosphere negatively affects employee's performance, leading to poor productivity. Further, previous generations experienced discomfort and felt compelled to adapt to an unwelcoming workplace despite appreciating the employment opportunity. The quality of work and productivity heavily depend on the working environment. Active engagement and motivation from the workplace impact employee's enthusiasm and willingness to acquire new skills. Sometimes, employees may hesitate to give their best effort regardless of qualifications or tenure Vidya (2019).

The performance of employees plays a crucial role in the success of an institution, and it is imperative for organizations must explore the factors that contribute to high performance Mesiya, (2019). The performance of employees is crucial for achieving organizational objectives and maintaining competitiveness. They are the core of any business and its most valuable asset, capable of either enhancing or harming the company's reputation and profitability. To succeed, organizations depend on the collective contribution of all members rather than a few individuals. Poor employee performance can lead customers to perceive the organization as indifferent to their needs, potentially causing them to seek assistance elsewhere. On the other hand, well-performing employees accomplish tasks correctly from the outset, leading to increased customer satisfaction (Hijry & Haleem, 2017).

Moreover, according to Mohammed, Yap, and Chan (2019), numerous studies across sectors and countries consistently show a positive link between human resource management practices and employee's performance. Therefore, effective implementation of such practices is crucial for enhancing employee's performance and helping organizations attain their objectives. As a result, organizations should prioritize these practices as a fundamental approach to enhancing employee's performance and working toward their goals. These practices include training, performance appraisal, career planning, employee participation, job definition, compensation, and selection. Organizations recruit skilled individuals to create a thriving environment. To stay competitive in a changing economy, businesses must seek innovation. Human resources contribute to gaining a competitive edge. Employee performance is crucial for firms to compete favorably in a dynamic environment, as stated by Watetu (2017).

The importance of human resources (HR) in granting a competitive edge to companies has exceeded that of any other entity in the past. The emergence of globalization and new technologies, along with increased competition, highlights the significance of effective HRM for achieving organizational goals. Government performance now relies more heavily on the performance of its workers compared to neighboring authorities, leading to the establishment of criteria to evaluate a company's success based on employee performance. Job performance is highly valued by managers and scholars, underscoring the importance of efficient HRM. Effective HRM practices directly contribute to a company's ability to attain sustainable competitive advantage, making the efficient and effective management of human

resources essential in today's business environment (Sailaja, Vaishnavi, & Sai, 2022).

The objective of the research is to establish how the human resource management practices in LGU Panabo offices affect the performance of employees. Specifically, it sought to answer the following objectives: to determine the level of human resource management practices of LGU Panabo offices; to determine the level of employee's performance of LGU Panabo offices; and to determine the significant relationship between human resource management practices and employee's performance of LGU Panabo offices. The null hypothesis of this study was tested at 0.05 level of significance, which stated that there is no significant relationship between human resource management practices and employee's performance of offices in LGU Panabo City.

METHOD

Participants. The respondents of this study were under LGU offices at the City Hall of Panabo City with a total population of 892 employees. By utilizing the Raosoft software's sample size calculator, the research population of 269 employees working for the LGU offices was identified, including regular, casual, or coterminus. The researchers had confidence in their selection of respondents and their ability to provide relevant feedback regarding the impact of human resource management practices on employee performance in the offices of LGU Panabo. The mechanism criteria of this research are a total random sampling method to select the study participants. The method of random sampling is a sampling technique where each member of a population has an equal chance of being selected for the sample.

Sampling means that every item in the population has an equal chance of being included in sample Taherdoost (2016).

Materials/Instruments. The researchers used a standardized questionnaire for gathering the data from the Offices in Panabo City LGU. The first set of questions was taken from Marwat, Qureshi, & Ramay (2011), which determines the level of human resource management practices using these indicators; training, performance appraisal, career planning, employee participation, job definition, compensation, and selection. Also, a questionnaire adapted from the study of Eriya (2010) was used to measure employee performance using these indicators; job commitment, the effort put in to accomplish tasks, understanding the work process, and customer care. The research questionnaire consists of three parts, namely part one which pertains to the profile of the respondents, part two pertains to the human resource management practices with the indicators and part three refers to employee performance. The respondents were requested to check a single selected choice in the range of 5-1 for the two parts. Experts in the fields validated the questionnaires to secure their validity. At large, this set of questions included information about the respondent's responses toward human resource management practices and employee performance that was gathered, calculated by the statistician, and interpreted by the researchers. A pilot test conducted only once to assess the reliability. The independent variable showed excellent reliability with a Cronbach's Alpha of 0.92, while the dependent variable had good reliability with a Cronbach's Alpha of 0.89.

The scale used to determine the level of human resource management practices among offices in LGU Panabo is as follows: (1) the scale of 4.20-5.00 is considered very high, which means that the

level of human resource management practices is always practiced; (2) the scale of 3.40-4.219 is considered as high, which means that the level of human resource management practices is often practiced; (3) the scale of 2.60-3.39 is considered as moderate, which means that the level of human resource management practices is sometimes practiced; (4) the scale of 1.80-2.59 is considered as low, which means that the level of human resource management practices is less practiced; (5) the scale of 1.00-1.79 is considered as very low, which means that the level of human resource management practices is not practiced.

The scale used to determine the level of employee's performance among offices in LGU Panabo is as follows: (1) the scale of 4.20-5.00 is considered very high, which means that the level of employee's performance is very satisfactory; (2) the scale of 3.40-4.19 is considered as high, which means that the level of employee's performance is satisfactory; (3) the scale of 2.60-3.39 is considered as moderate, which means that the level employee's performance is fair; (4) the scale of 1.80-2.59 is considered as low, which means that the level of employee performance is less satisfactory; (5) the scale of 1.00-1.79 is considered as very low, which means that the level of employee's performance is not satisfactory.

Design and Procedure. The researchers used a quantitative, non-experimental, and correlational design to explain the events observed from each theory Creswell (2012). The descriptive method was used to assess the acquired quantitative data techniques. Descriptive analyses lead to the emergence of correlational and non-experimental results and the finding of concerns that need further study Wamalwa, Simiyu, & Wanjala (2016). This means that the researchers described the link between the two variables in this study without the researcher's

intervention. A correlational research design examines the relationships and the strength of these relationships between the variables. This was intended to assess the level of human resource management practices on employee performance of LGU Panabo Offices.

According to Asenahabi (2019), the concept of a quantitative research design refers to a methodology and set of measurements to generate measurable and discrete values. On the other hand, non-experimental design can be considered as a form of quantitative research that does not incorporate experiments during the data collection phase. Rillo and Alieto (2018) defined descriptive research as an intentional and systematic approach to collecting, examining, categorizing, and organizing data concerning existing circumstances, practices, procedures, trends, and cause-and-effect connections. Subsequently, it involves making appropriate and precise interpretations based on the data gathered, which may or may not require the use of statistical techniques. Furthermore, this method determines the current state or facts within a specific group being studied, providing qualitative and/or quantitative descriptions that outline the overall characteristics of the group as outcomes. Therefore, this descriptive research design is suitable for this study since it is intended to establish the impact of human resource management practices on the employees' performance in the offices in LGU Panabo City.

Moreover, this study went through a month process starting from preparing the research instrument, which included the questionnaire validation. Then the researchers wrote a letter to conduct the study which was addressed to the City Mayor, Hon. Jose E. Relampagos. Afterward, the researchers administered the research by conducting surveys and questionnaires form to their respondents. The

survey questionnaire forms were privately sent to all Offices in LGU Panabo. After acquiring the questionnaire from the respondents, the researchers instantaneously tailed and collected the data from the respondents and subjected it to statistical analysis. The statistical tools used in the study are the following: (1) the mean to summarize a data set; (2) the Pearson Product Moment Correlation coefficient (r) to know if there is a significant relationship between the variables in the study human resource management practices and employee performance among offices in LGU Panabo.

RESULTS AND DISCUSSION

Level of Human Resource Management Practices

Shown in Table 1 is the scale of human resource management practices among offices in LGU Panabo City and the indicators with their corresponding mean and descriptive equivalent. Employee's level of human resource management practices has an overall mean of 4.03, described as high, with the indicators; training, performance appraisal, career planning, employee's participation, job definition, compensation, and selection. Therefore, human resource management practices among offices in LGU Panabo City are often practiced to maintain productivity and effectiveness among employees in an organization. Furthermore, contemporary knowledge-based organizations need to adopt this inventive human resource management (HRM) approach to effectively attract, retain, and enhance the value of their workforce. The success of businesses heavily relies on the talents and skills possessed by their employees, and it is only through the implementation of optimal HRM practices that organizations can ensure their ongoing prosperity (AlShaikhly & AlTaher, 2017).

Table 1. Level of Human Resource Management Practices

HRM Practices Equivalent	Mean	Descriptive
Training	4.08	High
Performance Appraisal	3.99	High
Career Planning	4.02	High
Employee's Participation	4.09	High
Job Definition	4.13	High
Compensation	3.19	High
Selection	4.02	High
Overall Mean	4.03	High

Among all the remaining indicators, employee's participation got an overall mean of 4.09, described as high. This means that the level of human resource management practices in employee participation is high. This is also supported by Ezeanolue & Ezeanyim (2020) they employee participation involves establishing a conducive setting where individuals can contribute to and affect actions and decisions that impact their work productivity. This approach encourages the management team to take a proactive stance in meeting the needs of employees, who are regarded as the organization's most valuable resource.

On the other hand, career planning and selection got the same mean with an overall 4.02, described as high. This means that the level of human resource management practices in career planning and selection is high. Kadeeja (2020) states that a career planning system enhances employee contentment by recognizing and pursuing positions that align with their goals and aspirations, leading to heightened satisfaction.

Furthermore, the performance appraisal got an overall mean of 3.99, described as high. This means that the level of human resource management practices in terms of performance appraisal is high. Idowu (2017) performance appraisal is the unbiased assessment of an individual's job performance, aimed at informing fair decisions about personnel matters. It involves acquiring, evaluating, and documenting data related to an employee's value and contribution to the organization.

However, among all the indicators, compensation got the lowest mean of 3.91, described as high. This means that the level of human resource management practices in terms of compensation is high. Adari (2018) supports that compensation plays a crucial role in the field of human resource management, as it serves to inspire and incentivize employees, ultimately enhancing the overall efficiency of an organization.

Level of Employee Performance

As shown in Table 2 the level of employee's performance among offices in LGU Panabo City. The overall mean in this variable is 3.68, with a descriptive equivalent of high. In particular, job commitment got the highest overall standard of 3.99, described as high. Rajak & Pandey (2017) stated that the commitment of employees is a crucial tool for effectively improving the performance of institutions. In simpler terms, commitment can be described as a connection between an individual (the employee) and the institution (the employer).

The effort put into accomplishment task got an overall mean of 3.87, described as high. This means that the level of employee performance in terms of effort put into accomplishing tasks is high. Additionally, the understanding work process got an overall standard of 3.50, defined as high. This means that the level of employee performance in understanding the work process is increased. While

customer care got the lowest overall mean of 3.35, described as moderate. This means that the level of employee’s performance in terms of customer care is moderate. Matanga (2020) suggested that providing excellent customer care offers numerous benefits to customers, including customer retention, increased referrals for the organization, improved profitability, boosted confidence for both employers and employees and a competitive edge.

Table 2. Level of Employee Performance

Employee Performance Equivalent	Mean	Descriptive
Job Commitment Effort Put in To Accomplishment Task Understanding Work Process Customer Care	3.99	High
	3.87	High
	3.50	High
	3.35	Moderate
Overall Mean	3.68	High

Significant Relationship Between Human Resource Management Practices on Employee’s Performance among Offices in LGU Panabo City

Presented in Table 3 is the result of the significant relationship between human resource management practices on employee performance among offices in LGU Panabo City. The overall mean of Human resource management practices is 4.03, with the description of high, and the standard deviation is 0.4704. The overall mean of employee performance is 3.68, with the description equivalent of high, and the standard deviation of 0.4773. The r-value of the two variables is .541**, and the P-value is equal to 0.0000, which is less than the 0.05

level of significance. Therefore, the null hypothesis is rejected. It means that there is a significant relationship between human resource management practices and employee's performance. The findings of this study support the view of Alsafadi & Altahat (2020) stated that the effective utilization of human resource management practices and their practical implementation play a crucial role in enhancing employee satisfaction, fostering job commitment, and ultimately boosting productivity. A combination of various human resource management practices influences employee behavior, and human resource management practices are instrumental in evaluating individual performance within an organization. Moreover, it serves to motivate employees, foster healthy competition, and enhance overall worker performance. Hassan (2016) Successful organizations recognize HRM practices as a vital element that directly impacts employee performance. In today's global setting, organizations need to recruit competent and skilled individuals to achieve success.

This study is supported by Addis (2019) that human resource management practices are composed of the policies, practices, and systems that influence employee behavior, attitude, and performance. Human resource management practices effect employee performance and the competitive advantage of an organization. Nyaguthii (2021) added that human resource management practices involve methods and strategies used to manage individuals to achieve a company's objectives effectively. To maximize the benefits of these practices, organizations often combine them into bundles. Therefore, the implementation of effective human resource practices is crucial for improving employee performance and enabling organizations to achieve their objectives. As a result, organizations should prioritize these practices as a fundamental

approach to enhancing employee’s performance and working toward their goals. Mohammed, Yap, and Chan et al. (2019) stated that human resource management practices and employee performance have a positive connection.

Table 3. The Significant Relationship between Human Resource Management Practices and Employee Performance

Variable	Standard Deviation	Mean	Description	r-value	p-value	Decision on Ho @ 0.05 level
HRM Practices	0.47	4.03	High	.541**	0.0000	Ho is Rejected
Employee Performance	0.47	3.68	High			

CONCLUSIONS

Based on the findings of the study, it was discovered that the level of human resource management practices had an average weighted mean of 4.03, which was described as high. The study considered seven indicators: compensation, performance appraisal, career planning, selection, training, employee participation, and job definition.

Meanwhile, the level of employee’s performance among offices in LGU Panabo had an overall mean of 3.68, also described as high. The study considered four indicators: job commitment, effort put in to accomplish tasks, understanding the work process, and customer care.

As a result, the null hypothesis is rejected, indicating a significant relationship between human resource management practices and employee performance among offices in LGU Panabo City.

REFERENCES

- Adari, T. (2018). *Impact of Compensation on Employee Performance*. Retrieved from <https://www.researchgate.net/publication/342978044>
- Addis, Y. (2019). *The Effect of Human Resource Management Practice on Perceived Employee Performance: The Case of Ministry of Trade and Industry, Ethiopia*. Retrieved from <http://213.55.95.56/bitstream/handle/123456789/19805/Yeshihareg%20Adis.pdf?sequence=1&isAllowed=y>
- Alsafadi, Y., & Altaht, S. (2020). *Human Resource Management Practices and Employee Performance: The Role of Job Satisfaction*. Retrieved from <https://koreascience.kr/article/JAKO202100569425324.pdf>
- AlShaikhly, N. A., & AlTaher, A. (2017). *The Impact of Human Resource Management Practices on Employees' Satisfaction: A Field Study in the Jordanian Telecommunication Companies*. Retrieved from https://meu.edu.jo/libraryTheses/5a14193512ea5_1.pdf
- Asenahabi, B. M. (2019). *Basics of Research Design: A Guide to selecting appropriate research design*. Retrieved from <http://www.ijcar.net/assets/pdf/Vol6-No5-May2019/07.-Basics->

ofResearch-Design-A-Guide-to-selecting-appropriate-research-design.pdf

Eriya, M. (2010). *Motivation and Employee Performance in Rift Valley Railways Uganda Limited*. Retrieved from <https://afribary.com/works/motivation-andemployee-performance>

Ezeanolue, E. T., & Ezeanyim, E. E. (2020). *Employee Participation In Decision Making And Organizational Productivity In Manufacturing Firms In SouthEast, Nigeria*. Retrieved from <https://seahipaj.org/journals-ci/mar2020/IJIDPS/full/IJIDPS-M-12-2020.pdf>

Hassan, S., (2016). *Impact of HRM Practices on Employee's Performance*. Available at: <https://oaji.net/articles/2016/1447-1474648877.pdf>

Hijry, H. and Haleem, A. (2017) 'Study the Factors That Influence Employees Performance in the Steel Factory, Saudi Arabia', *Proceedings of the 2017 International Conference on Industrial Engineering and Operations Management Rabat, Morocco, April 11-13, 2017*. [online] Available at: <http://ieomsociety.org/ieom2017/papers/306.pdf> [Accessed: 11 December 2022].

Idowu, A., (2017). *Effectiveness of Performance Appraisal System and its Effect on Employee Motivation*. Available at: https://www.researchgate.net/publication/320490099_Effectiveness_of_Pe

formance Appraisal System and its Effect on Employee Motivation

- Kadeeja, T. (2020). *The Changing Role of Individuals and Organizations in Career Planning, Management, and Development*. Retrieved from: <https://www.studocu.com/in/document/cmr-university/human-resource-management/career-planning-hrm/10713075>
- Marwat, Z. A., Qureshi, T. M., & Ramay, M. I. (2011). *Impact of Human Resource Management (HRM) Practices on Employee Performance*. Retrieved from: <https://www.citehr.com/310556-impact-human-resource-managementhrm>
- Matanga, Y. (2020). *The role of Customer care in bringing Customer Satisfaction in Private Universities: A case of University of Arusha, Tanzania*. Retrieved from: <https://www.rsisinternational.org/journals/ijriss/Digital-Library/volume4-issue-10/530-537.pd>
- Mesiya, A. Y. (2019) 'Factors Affecting Employee Performance: An Investigation on Private School Sector', *International Journal of Experiential Learning & Case Studies*, 4(1), pp. 74-91. doi: 10.22555/ijelcs.v4i1.2455.g532 [Accessed: 11 December 2022].
- Mohammed, S. M., Yap, V. C., & Chan, K. T. (2019). *The effect of HRM practices and employees' job satisfaction on employee performance*. Retrieved from: https://www.researchgate.net/?/publication/331826099_The_effect_of_HR

*M_practices_and_employees'_job_satisfaction_on_employee_p
erfromane*

Mohammed, S. M., Yap, V. C., & Chan, K. T. (2019). *The effect of HRM practices and employees' job satisfaction on employee performance.* Retrieved from: https://www.researchgate.net/publication/331826099_The_effect_of_HR

*M_practices_and_employees'_job_satisfaction_on_employee_p
erfromane*

Nyaguthii, R.M. (2021). *Human Resource Management Practices and Employment Performance in CanonChemicals LTD in Kenya.* Retrieved from: <https://irlibrary.ku.ac.ke/bitstream/handle/123456789/23440/Human%20Resource>

*%20Management%20Mnagement%20Practices%20and%20Em
ployee%20Performance.pdf?sequence=1&isAllowed=y*

Rajak, B., & Pandey, M. (2017). *Exploring the Relationship Between Job Commitment and Job Satisfaction Through a Review of Literature.* Retrieved from:

https://www.researchgate.net/publication/318593280_Exploring_the_relati

*onship_between_Job_Commitment_and_JOB_Satisfaction_thro
ugh_a_Re view_of_Literature*

Rillo, R. M., & Alieto, E. O. (2018). *Indirectness Markers in Korean and Persian English Essays: Implications for Teaching Writing*

to EFL Learners. Retrieved from:
<https://files.eric.ed.gov/fulltext/ED596726.pdf>

Sailaja, V. N., Vaishnavi, M., & Sai, K. T. (2022). *A Study on the Impact of Human Resource Management Practices on Employee Performance*. *Academy of Marketing Studies Journal*, 26(5).

Taherdoost, H. (2016). *Sampling Methods in Research Methodology; How to Choose a Sampling Technique for Research*. Retrieved from:
https://www.researchgate.net/publication/319998246_Sampling_Methods_in_Research_Methodology_How_to_Choose_a_Sampling_Technique_for_Research

Vidya, C. A. A. (2019) 'A Study on Workplace Environment and Its Impact on Employee Performance', *International Journal of Research in Advent Technology*, 7(12), p. 222. [online] Available at: www.ijrat.org [Accessed: 28 December 2022].

Wamalwa, R. N., Simiyu, P. C., & Wanjala, L. N. (2016). *Provision of Learning Resources by Constituency Development Fund and Its Influence on Retention of Learners in Public Boarding Secondary Schools in Kenya*. Retrieved from:
<http://pubs.sciepub.com/education/4/20/4/index.html>

Watetu, J. P. K. (2017) 'Factors Affecting Employee Performance in an Organization: A Case Study of Postal Corporation of Kenya', [online] Available at:
<https://core.ac.uk/download/pdf/157498214.pdf> [Accessed: 11 December 2022].