

## An Evaluation of Human Resource Management (HRM) Practices in Nigerian Universities: The Impact of Size

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**Abstract:** This study examines empirically, the relationship between size of the organization and Human Resource Management (HRM) practices that have been shown to contribute to organizational performance. The study draws on the resource-based view of the firm and hypothesized that big universities, operationalized as having >1000 academic and administrative staff can be differentiated from small Universities, defined as employing <1000 academic and administrative staff in their use of human resource management practices. Contrary to prior research findings, it was found that size did not correlate with the usage of HRM best practices. Both big and small universities used similar and identical HRM practices. Apparently, size did not differentiate between HRM practices employed in Nigeria Universities.

**Key words:** Evaluation, human capital, training and development, size, organization, big university, performance

### INTRODUCTION

The colonial administration felt the need for university education and by 1948, the first Nigerian University, University College of Ibadan (UCI) came into being. It was the mission of the founding fathers to establish an institution, the products of which would eventually take over the responsibilities of administering the independent Nigeria.

Compared with countries such as Britain, the USA, India, the Philippines and Sierra Leone, the development of University education is relatively recent in Nigeria. Prior to the establishment of the University College, Ibadan (UCI) in 1948, the practice was for Nigerians yearning for university education to attend British and American Universities and Fourah Bay College, Sierra Leone (Ojo, 2006).

The foundation of the Nigerian University system was laid on January 8, 1948, when 104 former Yaba Higher College Students with 13 instructors moved to Ibadan to form the nucleus of the UCI. Between 1948 and 1962, the college underwent different development phases: formation, expansion and drive towards maturity and independence, as it ended its tutelage or affiliation with the University of London in 1962. In 1960, the University of Nigeria, Nsukka (UNN) was established followed by the establishment of three Ashby Universities (Ife, Lagos and ABU-Zaria) in 1962. The Midwest institute of technology, which was founded in 1970, became the University of Benin in 1972; thereby bringing the number of Nigerian

Universities to six. These six Universities are usually referred to as the first generation of Nigerian Universities (Ojo, 2006).

**Proliferation of Universities in Nigeria:** The term proliferation is important to this study because it led to the establishment of different types of Universities, big and small.

In 1975, the federal military government established 7 new universities, fondly referred to as the Second Generation Universities, sited in Calabar, Jos, Maiduguri, Sokoto, Ilorin, Port Harcourt and Kano. Also in 1975, the Government took over all state-owned Universities (Ife, UNN, Benin and ABU) thereby ending the participation of State Government in University ownership and control for the rest of the military rule before the advent of the second republic in 1979. This take-over by the federal government (perhaps because of the oil boom) was short sighted and was definitely an unnecessary acceptance of additional financial responsibility (Ojo, 2006).

The third generation, technology universities were established between 1980 and 1983, Abeokuta, Akure, Bauchi, Makurdi, Minna, Owerri and Yola. All these seven Universities were established by the Federal Government. In addition, it established an Open University and a Military University (Nigeria Defence Academy). Also, emerging during the period as part of the third generation Universities, were State and Private Universities. Thus, by December 1983, there were 21 Federal Universities including an Open University, a Military University.

8 State Universities and some private Universities. Some of the State Governments that struggled to establish Universities did so even when they were unable to pay the salaries of primary and secondary school teachers. Another politically motivated phenomenon during the civilian administration was the adoption of the wasteful multi-campus system for some State Universities. Also, five colleges of education and advanced teachers colleges owned by state governments were upgraded to degree awarding status. These were done primarily to score cheap political points.

Obviously, the reason behind the establishment of University Education in Nigeria, as often observed by Governments and others in the business of university education is to coordinate and enhance the development and utilization of manpower in Nigeria.

Admitted, HRM practices are critical to the realization of the above objectives. The universities must attract, develop and maintain an energetic workforce to support their goals and strategies. High commitment theories suggest a link between certain HRM practices and improved organizational performance. It has been found that firms that use comprehensive employee recruitment and selection procedures, extensive employee involvement and training, enhanced corporate financial performance (Adeyeye, 2008).

Prior studies have generally addressed the relationship between HRM practices and performance in big private sector organizations (Carison *et al.*, 2006). There is a dearth of research on the relationship between HRM practices and performance in educational settings such as Universities. This study fills the identified gap in the study by examining the impact of size on HRM practices in an academic setting, more specifically in University educational setting. While, it is arguable whether the findings can be applied to other sector organizations, the results of prior empirical studies provide the basis for theoretical investigation of HRM practices in the Nigerian Universities.

**Empirical and theoretical perspectives:** Evaluation of performance is very important in appraising the effectiveness of individuals, groups, organization and leaders (Olatoye and Ojo, 2007).

It is admitted that the strategic use of a set of HRM practices positively impacts organizational performance-Armstrong (2004). Positive relationship has been established between HRM practices and productivity, turnover and firm performance. Prior empirical research shows there exists a bundle of HRM practices that can influence the performance of the firm (Huselid *et al.*, 1997).

This study is anchored on the Resource-Based View (RBV) to strategic HRM because it focuses on satisfying

the intellectual capital requirements of the organization (Armstrong, 2004). RBV assumes that differences in the physical, organizational and human resources among firms cause a fundamental heterogeneity in their productive potential (Armstrong, 2004).

The resource-based view supports various organization characteristics associated with greater organizational complexity and resource richness. In this study, we chose firm size as the organization characteristic because prior empirical studies suggest a size effect in the use of HRM practices. The link between firm size and professional HRM practices is well established. Firm size is often used to show lack of specific resources such as financial, organizational and/or human resources. There is empirical evidence that formal HRM practices entail developmental costs (Adeyeye *et al.*, 2007). Larger firms tend to benefit from resource availability, while smaller firms are constrained by the lack of resources. For instance, smaller firms generally make less use of best HRM practices than larger firms. More specifically, they make less use of formalized recruitment practices, provide less training to their employees and are less likely to use formalized performance appraisals (Adeyeye, 2008). There is less use of HRM practices in small firms due to lack of resources, or lack of specific knowledge (Carison *et al.*, 2006). The lack of usage of professional HRM practices can be explained by the lack of specific organizational and human resources.

Company growth theories indicate a positive link between firm size, complexity and HRM best practices. As firms grow in size they become more complex and develop more formalized procedures and policies. Larger firms have a greater demand for human resources. It is reasonable to expect that complexity in terms of layers of management would lead to greater demand for practices such as recruitment, selection and performance appraisal. Similarly, as firms increase in size, it is expected that specialization increases in Tandem (Adeyeye, 2008). There is positive correlation between firm size and HRM specialization (Cyr *et al.*, 2002). Specialization is in line with the resource-based view. Greater specialization is related to greater knowledge resources (Adeyeye, 2008).

Based on the foregoing, coupled with the fact that the act setting up Universities in Nigeria did not prescribe any best HRM practices, it could be argued that large Universities defined as those employing >1000 academic and administrative staff will apply HRM best practices such as recruitment, selection, performance appraisal of their staff more than small universities defined as those employing <1000 academic and administrative staff. More specifically, we state the following hypotheses:

**H<sub>1</sub>:** Staff recruitment and selection practices in a big University are different from those in a small University.

**H<sub>2</sub>:** Staff performance appraisal and training practices in a Big University are different from those in a Small University.

**H<sub>3</sub>:** Staff development and maintenance of records in a big University are different from those in a small University.

### MATERIALS AND METHODS

**Sample and data collection:** The population for the study comprised of 20 Universities in Nigeria. The Vice Chancellors, Deputy Vice Chancellors, Registrars, Deputy Registrars, Deans, Heads of Departments/Units/Sections comprising the universities senior management team were contacted for their participation in the study. Questionnaires and other statistical instruments used in Imo (1986) and Graeme and Moutinho (2008) were mailed to 500 senior officers in the 20 Universities. After several telephone reminders, 303 usable responses were received representing 60.5% response rate.

**Variables:** The dependent variables comprised HRM practices namely: recruitment and selection, performance appraisal, training and the development of policies and maintenance of records. The study shows a positive relationship between these functional areas and size.

Size, the independent variables, has been identified as one factor that accounts for varying degrees of complexity in the HRM practices of firms and organizations. Contextual differences give rise to variation in the definition of size. For the purpose of this study, we define a small University as one with <1000 employees and a big University as one with >1000 employees.

**Analysis:** Considering the number of respondents of the various Universities was not the same, we converted the frequencies corresponding to the items on the questionnaire to percentages, thereby providing reasonable grounds for comparison to be carried out. The main statistical tool used in the analysis was the chi-square ( $\chi^2$ ) test of independence because it helped to establish, whether or not the proportion of positive responses corresponding to the test items were actually the same as one moved from one University to the other.

**Test of hypotheses of results:** According to the criteria for size in this study, 10 of the 20 responding universities are classified as big as they have over 1000 employees, while the remaining ten are classified as small because they have a staff strength of <1000.

**Statistical analysis:** We performed Chi-square ( $\chi^2$ ) test on the hypotheses. To test H<sub>1</sub>, we asked the respondents to choose from a range of recruitment and selection methods that were applicable in their universities. The higher number of positive responses a technique received from respondents in a particular university was indicative of the use of technique in that institution.

### RESULTS

The results showed p-values of 0.1406 for the recruitment of academic staff in the various universities and 0.167 for administrative staff. Analysis of the selection methods for academic and administrative staff had p-values of 0.6314 and 0.2113, respectively. The p-values for the analysis of coverage of induction and contents of appointment letter were also 0.6838 and 0.2366, respectively. Since, all the  $p > 0.1$ , the maximum significant level permissible, we rejected H<sub>1</sub> and concluded that recruitment and selection practices in a university is not related to size. In other words, no significant differences exist between the recruitment and selection practices of big and small universities.

We used the chi-square ( $\chi^2$ ) test to test H<sub>2</sub>. We asked the respondents to choose from a range of performance appraisal and training methods, the ones that were applicable in their universities. The higher the number of positive responses a technique received from respondents in a particular university was indicative that technique was used in that institution.

The p-values are as follows: performance assessment methods for academic and administrative staff are -0.7558 and -0.3069, respectively; methods of training for academic and administrative staff are -0.0945 and 0.2724, respectively and use of performance appraisal information -0.13354. Once again, with the exception of the p-values for methods of training for academic staff (i.e., 0.0945) all the  $p > 0.1$ , the maximum significant level permissible. In the case of methods for training for academic staff, which recorded a p-values of 0.0945 that is very close to 0.1 and therefore presents a very weak significance. We reject H<sub>2</sub> and conclude that performance appraisal and training practices in universities is not related to size. No significant differences exist between the performance appraisal and training methods employed by both Big and small universities.

Thirdly, we asked the respondents to choose from a range of policies and record the ones, which were available in their universities. The higher the number of positive responses a type of policy or record received from respondents in a particular university indicated the availability of such policies and records in that institution.

The results showed p-values of 0.8589 for the types of written policies available in the responding university, 0.437 for grounds termination and 0.8816 for the types of records kept by these universities. All the  $p > 0.1$ , the maximum significant level permissible. Therefore,  $H_3$  was also rejected and conclude that development of policies and maintenance of records in a university is not related to size. No significant differences exist between the policies and maintenance of records in both big and small university.

### DISCUSSION

Firstly, both big and small universities used identical formal recruitment and selection methods such as advertising in newspapers and professional journals, formal interviews, file search, head hunting, giving appointment letters with conditions of service and giving an induction. This findings are consistent with studies that found small organizations prefer informal recruitment and selection methods because these are inexpensive, convenient and suitable to their less complex needs, while big organizations require larger workforce and use a wider range of techniques and methods to attract and select the best workforce (Carison *et al.*, 2006).

To explain our findings, we speculate that though the university act does not compel the university to comply with a specific set of HRM practices, they may be employing similar practices due to the fact that when universities are established, they appear to have recruited most of their staff, especially senior academics and those in management positions, from big and larger Universities. Being highly bureaucratic, the Big universities are characterized by extreme use of written documentation and the application of consistent rules and/or administrative manuals (Borgatti, 2002). It is plausible that the staff imported such administrative practices from big universities to the smaller universities. It is therefore, not surprising that the recruitment and selection practices of the small universities are generally more formal and similar to what operates in the big universities and other public sector organizations.

Secondly, the findings that there was no significant difference between performance appraisal and training practices in both big and small universities is inconsistent with prior research that has established a positive relationship between the amount of training that is provided and the size of an organization and between performance appraisal techniques and size (Ojo, 2006). Similar to the explanation in the preceding section, we contend the fact that majority of the core administrative staff who were recruited to start the small universities came from the big universities can also explain the current

finding. We surmise the introduction of civil service practices, which are highly formalized can explain the finding that both big and small universities have similar practices in appraising and training their staff.

Thirdly, the hypothesized relationship between HR policy development and the maintenance of records and size of universities is at variance with research indicating small organizations develop and implement HR policies that differ from those of large organization as a result of differences in size (Adeyeye, 2008). As previously discussed, we argue that the presence of civil service staff and practices in the universities may explain this finding

### CONCLUSION

In this study, we set out to extend our understanding of the effect of size on HRM practices in an academic sector organization setting. Most of the prior HRM studies have focused largely on private sector organizations. Universities in Nigeria were the focus of this study due to the crucial role they are expected to play in providing the requisite technical and skilled manpower for the socio-economic development of Nigeria. Drawing on the resource-based view, we generated and tested three hypotheses. However, none of the hypothesized relationships was supported. Even though, the laws establishing the universities do not prescribe any best HRM practices, we found that HRM practices in the universities were similar irrespective of size. This led us to speculate that because the core university staff were from bigger universities, it is possible that they imported such bureaucratic administrative practices as the extreme use of written documentation and the application of consistent rules and/or administrative manuals to the universities.

### IMPLICATIONS

The findings have implications for university management as well as for future research. Firstly, for the universities to successfully achieve the goals set for them, it is imperative for them to pay attention to HRM practices. In particular, they must pay attention to systematically recruit, select, develop, utilize, reward and maximize the potential of the available human resources because of the link between certain HRM practices and improved organizational performance (Fajana, 2000). Secondly, since HRM practices are similar for both big and small universities, it is possible that the small universities may be employing HRM practices that may not be cost effective, suitable or relevant to their needs. Management must determine the most appropriate HRM practices rather than use one-size-fit-all measures.

While, this study focuses on universities, the study provides an avenue for a comparative study of HRM practices in other tertiary institutions like the polytechnics. For instance, the study could be replicated in polytechnics to see if the findings hold. Similarly, a comparative study involving public sector and private sector organizations should be carried out to ascertain the differences or similarities with the findings.

**Limitation:** Obviously, the research was carried out in Nigerian Universities. The findings are strictly applicable to these Universities only. Generalization may therefore, be done with caution.

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