

Original Paper

THE IMPACT OF HRM PRACTICES ON FIRM
PERFORMANCE: AN EMPIRICAL STUDY IN THE
ELECTRICITY COMPANY OF GHANA

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Abstract

This study investigates the impact of Human Resource Management (HRM) practices on firm performance, focusing on the relationship between HRM practices and firm performance within the Electricity Company of Ghana. Utilizing a quantitative approach, data was collected from a sample of employees to analyze demographic features, including gender, age, and departmental distribution. The findings reveal that HRM practices such as Recruitment and Selection, Training and Development, Performance Management, Compensation and Rewards, and Employee Engagement significantly influence firm performance.

The study highlights that a majority of respondents rated HRM practices positively, with mean values exceeding 4.00 on a scale of 1-5, indicating high levels of employee satisfaction with these practices. Notably, Performance Management and Compensation Rewards exhibited the strongest relationships with firm performance, with coefficients of 0.13 and 0.12, respectively. The regression analysis further confirms that these HRM practices positively affect overall performance, thereby enhancing organizational outcomes.

Additionally, the research identifies challenges in implementing HRM practices, including limited resources and lack of leadership support, which hinder optimal performance. Recommendations for

improvement include fostering strong relationships between HR managers and employees, investing in training and development, and aligning HRM strategies with organizational goals.

This study contributes to the understanding of HRM's role in enhancing firm performance and provides valuable insights for HR practitioners and policymakers aiming to improve organizational effectiveness in the Electricity Company of Ghana.

Keywords

Human Resource Management(HRM), Human Resource Management Practices(HRMP), Firm Performance, Electricity Company of Ghana(ECG)

1. Introduction

The most valuable resource in any firm is thought to be its human resources. Human resources are defined as people or laborers who work inside an organization's boundaries. They are in charge of carrying out the duties that are delegated to them, and they strive to accomplish the goals of the company and turn a profit.

According to Syed and Yan (2019) organizations need to make their employees effective and efficient. This is because human resources provides a sustainable competitive advantage by giving them different practices. Ngo, Foley, Loi and Zhang (2018) stated that an organization's success and growth depends upon the human resource who are working in the organization. Therefore, human resources must be treated as a valuable asset. According to Rehman (2017) the main aim of an organization's human resource is to help the organization in achieving its objectives.

In addition, Wright and Boswell (2018) stated that human resources remain the singular most important resource of any success-oriented organization. As a result, business cannot be ignored and human resource management has become more important in academia.

According to Armstrong (2019) human resource management is a strategic and coherent approach to the management of an organization's most valued assets. Also, human resource management is concerned with the efficient and effective utilization of the human capital of the organization.

Moreover, in today's competitive and rapidly changing business environment, management needs to ensure maximum utilization of their resources to their advantage. Studies have shown that organizations can create and sustain competitive options through effective management of their employees. Barney (2019) suggested that human resource management has transcended from policies to practice that procedure results. This is because human resource management practice can create organizations that are more intelligent, flexible and competent than their rival. Human resource management practice can be defined as a set of organizational activities that aims at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organizational objectives (Wagar & Rondeau 2017).

According to Green et al. (2018) human resource management practices include recruitment and selection, training and development performance appraisal, compensation management, safety and health and industrial relations. Effective management of all the above human resource management practices has the potential to increase organizational performance. Klein (2019) suggested that achieving enterprise performance requires successful, effective and efficient exploitation of organizational resources, and competencies to create and sustain a competitive position. Human resource management practices such as selection, training and development, compensation, promotion, incentives, communication, employee engagement and reward management help managers to achieve enterprise performance.

Ahmad and Schroeder (2018) found a positive influence of human resource management practices on enterprise performance. Thus, human resource management practices such as information sharing, employee engagement, promotion, reward management and training and development influence cost reduction, employee commitment, and performance of employees. Sang (2019) mentioned that there is a positive and significant relationship between human resource management practices (human resource planning, staffing, incentives, training, teamwork, employee participation, status, employment security) on enterprise performance.

Human resource management practice has a significant influence on business organizations. Research indicates that human resource management ensures that employees are treated fairly in the organization and they can make a significant contribution to the achievement of the organization's goals. Employee satisfaction has always been an important issue for organizations. Therefore, human resource management practices have made job satisfaction a top priority. The primary purpose of this study is to examine the impact of human resource management practices on enterprise performance. The study will examine the human resource management practices employed by the management of the electricity company of Ghana. Also, the relationship between human resource management practice on enterprise performance determines the challenges involved in human resource management practices in the organization.

This study will be significant to various stakeholders. Among them include management, employers, employees and researchers, academicians as well as students. To management, the study would enhance their understanding of human resource management practices. Also, the study would offer managers and employers some important and practical recommendations on how to employ effective human resource practices to increase organizational performance. The study will propose appropriate human resource management practices, policies, processes and practices and the possible outcome in the organization.

The study will provide insights into adopting the best-fit practices as a strategic response for management shortly. The study will prompt employees to pay attention to human resource management practices and the role they play in achieving organizational performance. Also, the study will add to

existing theories on human resource management, the study will serve as a reference to those engaged in other related studies and serve as a source for further research into human resource management and enterprise performance. Also, the findings and recommendations will provide a basis for management to properly manage their human resource and provide an opportunity for the organization to improve performance.

2. Literature Review

2.1 General Overview on HRM

This chapter reviews the existing literature on the relationship between Human Resource Management (HRM) practices and enterprise performance, with a particular focus on the electricity sector, specifically in Ghana. The literature is categorized into several themes, including the theoretical foundations of HRM, enterprise performance, contextual factors influencing this relationship, and specific studies relevant to the Ghanaian electricity sector.

2.1.1 Theoretical Foundations of HRM Practices

Human resource management is often regarded as an organizational function that enables personnel to be used as efficiently as possible in order to accomplish both individual and organizational goals. According to Armstrong (2018) human resource management is a strategic and coherent approach to the management of an organization employees working individually and collectively contribute to the achievement of its objectives. Armstrong and Taylor (2015) mentioned that the goal of human resource management is to: support the organization in achieving its objectives by developing and implementing human resource strategies, contributing to the development of a high-performance culture, ensuring that the organization has the talented, skill and engaged people it need, create a positive employment relationship between management and employees and climate of mutual trust and encouraging the application of ethical approach to people management in the organization. Dessler (2015) suggested that human resource management is responsible for getting competent people, training them, getting them to perform at their best effort and providing mechanisms to ensure that these employees maintain their productive affiliation with the organization.

Wright and Boswell (2019) defined human resource management practices as a set of organizational activities that aims at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organizational objectives. Also, Wager et al. (2017) stated that human resource management practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed toward the fulfillment of organizational goals. Human resource management practices are important to consider because it is the human resource practice which determines the success of human resource management. According to El-Kassar et al. (2019) human resource management practices include training and development, recruitment and incentives that influence firm performance in the organization.

Also, Haslinda (2019) mentioned that human resource management practices refer to a set of distinct but interrelated activities, functions and processes that are directed at the development and maintenance of a firm's human resources. Jackson et al. (2019) human resource management practices are considered to be those organizational activities which are directed at managing and ensuring that an organization's pool of human resources is employed towards the fulfillment of the organizational goals. This suggests that the management of individuals inside the internal environment is the focus of human resources management strategies. The activities of human resource management techniques include human resource planning, obtaining, developing, maintaining and retaining the necessary quantity of talents and employment involvement.

Appelbaum (2020) stated that human resource management includes: employee attraction and retention practices, recruitment and selection practices, training and development practices, performance and potential appraisal practices, reward systems and practices and health and safety practices. Human resource management practice is the management process of an organization's workforce assessment, and rewarding of employees. Also, Mensah (2017) mentioned that human resource management practices such as compensation, work-life balance and employee engagement are important to employees and influence their level of performance in the organization.

One of the most significant management tasks that goes toward boosting the efficacy of human resource management is the practice of human resource development. According to Yingying (2019) human resource development enhances employee's capacity using a range of education methods and means to complete their functions in the organization. Also, training is done to provide individuals with specialized professional knowledge related to their work and methods of best performance to improve their skills and abilities.

2.2 HRM Practices in the Ghanaian Electricity Sector

The electricity sector in Ghana has undergone significant reforms aimed at improving efficiency and service delivery. Recent studies indicate that HRM practices in this sector have a direct impact on organizational performance. For instance, Syed and Yan (2019) illustrate how effective recruitment, training, and performance management systems can enhance employee productivity and satisfaction within Ghanaian electricity companies.

Moreover, the role of HRM in fostering employee engagement and commitment is critical for achieving operational excellence in the electricity sector (Yingying, 2019). This is echoed by Klein (2019), who advocates for the strategic alignment of HRM practices with organizational goals to drive performance in the energy sector.

2.3 Contextual Factors Influencing HRM Practices

Contextual factors, including cultural, economic, and regulatory environments, play a crucial role in shaping HRM practices and their effectiveness. For instance, Wagar and Rondeau (2017) highlight the

importance of adapting HRM strategies to fit the specific cultural and operational context of the organization.

Chien (2019) emphasizes that the success of HRM practices in improving performance is often contingent on external factors such as market conditions and organizational culture. This is particularly relevant in developing countries like Ghana, where HRM practices may need to be tailored to local needs and challenges (Richard et al., 2019).

2.4 Firm Performance

An organization's overall growth is its enterprise performance. Enterprise performance refers to the firm's growth in terms of sales, market share, finances, and overall organization. Enterprise performance encompasses the following outcomes: financial performance (profit, return on assets and return on investment); market performance (sales, market share) and shareholder return (Richard et al 2019). According to Richard (2017) enterprise performance consists of the actual output or result of an organization as measured by its goals and objectives.

According to Ivancevich (2019) enterprise performance involves the recurring activities used to establish organizational goals, monitor progress towards the goals and make adjustments to achieve those goals more effectively and efficiently. Thus, a company's capacity to fulfill its objective through effective management, robust governance, and steadfast rededication to achieving objectives can be seen as an indicator of enterprise performance. The enterprise performance indicators inside the company have been referenced in many publications.

Huselid (1995) used perceptual measures of enterprise performance such as financial measures which include profit and financial ratios, the value added or sales of the organization per employee and physical measures of organisational productivity. Daft (2015) defined enterprise performance as the organization's ability to attain its goals by using resources effectively and efficiently.

Chien (2019) stated that there are five major factors determining enterprise performance: leadership style and environment, job design, organizational culture, model of motives and human resource policies. Richardo (2019) mentioned that the concept of enterprise performance focuses on what has been achieved and how it has been achieved. Therefore, using key performance indicators, such as financial outcomes or productivity, is a straightforward way to gauge what has been accomplished and the methodology employed in diverse research.

3. Methodology

3.1 Study Area

The study was conducted within the Electricity Company of Ghana, a key player in the country's energy sector. This organization is responsible for the distribution of electricity across Ghana, serving a diverse customer base. The personnel of Electricity Company of Ghana were chosen as the study population and are the target demographic for this investigation. The Electricity Company of Ghana (ECG) is a government-owned utility provider, employing between 5,000 and 10,000 individuals, and specializing in electricity and consumer electronics. The organizational structure of ECG comprises a Board of Directors, a Managing Director, and two Deputy Managing Directors, reflecting a hierarchical management framework. Additionally, the company is divided into 17 directorates, which include the Ashanti Strategic Business Unit (SBU), facilitating targeted operational strategies. ECG operates through eight administrative regions, each overseen by a General Manager, and encompasses 88 operational districts, each managed by a District Manager. The vision of ECG is to deliver reliable, safe, and high-quality electricity services, thereby contributing to the economic development of Ghana. The choice of this study area is significant due to its pivotal role in the economy and the importance of effective Human Resource Management (HRM) practices in enhancing operational efficiency and service delivery.

3.2 Sample and Data Collection

A structured sampling method was employed to select participants for the study. The sample consisted of employees from various departments within the Electricity Company of Ghana, ensuring a representative mix of perspectives across different roles and levels of the organization. A total of 536 employees participated in the survey, providing a robust data-set for analysis.

Data collection was carried out using a structured questionnaire that included both closed-ended and open-ended questions. The data collection instrument included Likert-scale items measuring various HRM practices and performance metrics. The questionnaire was designed to capture information on demographic features, perceptions of HRM practices, and their perceived impact on firm performance. To ensure a high response rate, the survey was distributed electronically and followed up with reminders. Anonymity and confidentiality were maintained to encourage honest and candid responses. The Cochran's sample size formula is given in the expression (Eq.1) below:

$$n = \frac{(Z^2 \times p \times q)}{E}$$

Based on the calculations using Cochran's formula, for a 95% confidence level (Z), an estimated proportion (p) of 0.5, and a margin of error (e) of 5%, the required sample size (n) for a population of approximately 369

This sample size ensures that the findings from tables such as Table 1 (demographic features), Table 2 (firm performance), and Table 3 (HRM practices impact) are statistically valid and representative of the overall population.

3.3 Method

In order to assess the impact of HRM practices on the performance of Electricity Company of Ghana, the current study used the quantitative research method as its research approach. The study uses major strategies for gathering data. Using a Likert scale as a data collection tool, survey was the main form of data gathering used in this study. By employing a variety of sample methodologies, sampling strategies were utilized to get primary data from the designated target population. A comprehensive, well-structured questionnaire was created and dispersed to employees within this demographic. Given that the goal of this research is to determine how human resource management practices affect firm performance, it is critical to comprehend the HRM tactics used and how they impact performance. The employees in this sector of the economy shed light on the subject and respond to the study's research questions. Research ethics were followed in the collection of data and the methods used in the study.

The data analysis involved both descriptive and inferential statistics. Descriptive statistics were used to summarize the demographic characteristics of the respondents, while inferential statistics, including Spearman correlation to identify the strength and direction of the relationship between various HRM practices and performance indicators and regression analysis, were employed to examine the relationships between HRM practices and firm performance and to quantify the impact of each HRM practice on overall firm performance, allowing for the evaluation of the significance of each variable. Subsequently, The results were interpreted in the context of existing literature on HRM and organizational performance, providing a comprehensive understanding of the findings and their implications for the Electricity Company of Ghana and similar organizations.

4. Result

4.1 Demographic Features

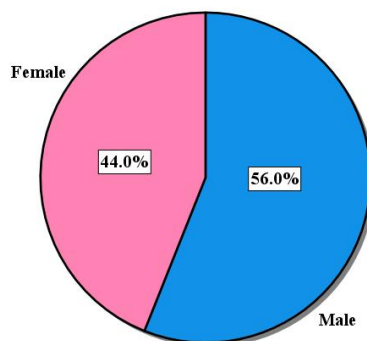


Figure 1. Gender of Respondents

As shown in Figure 1, the distribution of the gender of respondents is skewed towards males, such that more than half of the respondents 56% of the respondents are males, while 44% of the respondents are females. This implies that findings of this study are 56% of the time from males.

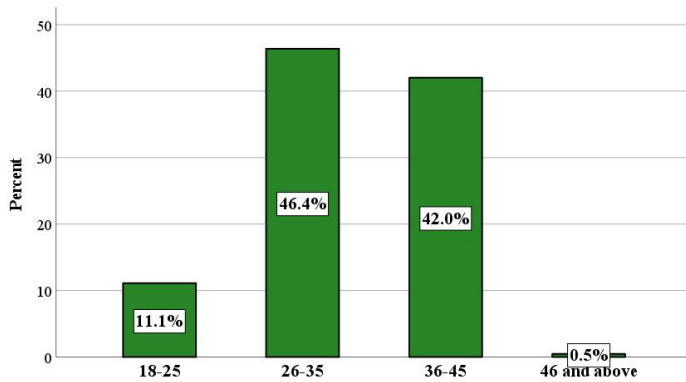


Figure 2. Age of Respondents

From the age distribution of respondents, Figure 2 shows that majority of the respondents (46.4%) are between 26-35 years of age, while 42% of them are between 36-45 of age. A relative percentage 11.1% are between 18-25 years of age. Only 0.5% of the respondents are 46 and above. This implies that findings of this study are 88.4% of the time from individuals who are within their youthful age, thus; 26-45 years of age.

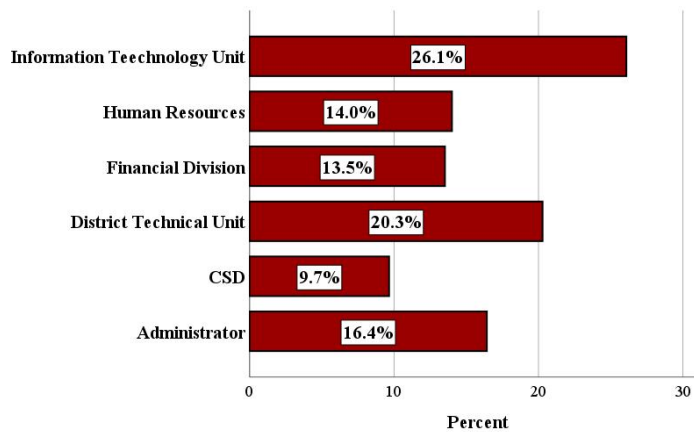


Figure 3. Department of Respondents

Figure shows that majority of the respondents (26.1%) are working in the Information Technology Unit, followed by 20.3% of the respondents who are working the District Technical Unit, and 16.4% of the respondents who are administrators, working in the administrative department.

Also, 14% of the respondents are working in the Human Resource Department, followed by 13.5% of the respondents who are working in the Financial Division, while 9.7% of them are working in CSD (Central Security Depository) unit.

4.2 Measurement Model Results

Table 1. Descriptive Statistics of Human Resource Practices

			Min	Max	Mean	Std. Deviation
Recruitment and Selection	RS1		2	5	4.50	0.56
	RS2		1	5	4.61	0.55
	RS3		3	5	4.65	0.52
Training and Development	TD1		3	5	4.67	0.51
	TD2		4	5	4.69	0.46
	TD3		4	5	4.71	0.46
Performance Management	PM1		2	5	4.70	0.49
	PM2		3	5	4.74	0.48
	PM3		3	5	4.72	0.46
Compensation and Rewards	CR1		3	5	4.75	0.45
	CR2		1	5	4.68	0.55
	CR3		4	5	4.79	0.41
Employee Engagement Relation	EER1		3	5	4.71	0.49
	EER2		4	5	4.73	0.44
	EER3		1	5	4.71	0.57

From Table 1, the indicators of Recruitment and Selection, have mean values of 4.50, 4.61, and 4.65 on a scale of 1-5. This means that workers in the electricity company of Ghana, rated Recruitment and Selection procedure highly. Also, the standard deviations of the indicators of Recruitment and Selection are low, which indicates that there is a high consistency in the workers responses.

The indicators of Training and Development, have mean values of 4.67, 4.69 and 4.71 on a scale of 1-5. This means that workers in the electricity company of Ghana, highly rated Training and Development activities. The standard deviations of the indicators of Training and Development are low, which shows that there is a high similarity in the responses given by the workers.

For Performance Management, all the indicators have high mean values of 4.70, 4.74 and 4.72 on a scale of 1-5. This means that workers in the electricity company of Ghana, highly rated the indicators of Performance Management practices. Also, the standard deviations of these indicators are very low, which implies that there is a high level of consistency in the workers responses on Performance Management.

For Compensation and Rewards, the indicators have mean values of 4.75, 4.68 and 4.79 on a scale of 1-5. Therefore, Compensation and Rewards was highly rated by workers in the electricity company of

Ghana. The standard deviations of the indicators of Compensation and Rewards are very low, which shows that there is a high similarity in the responses given by the workers.

Indicators of Employee Engagement and Relation were highly rated as well with mean values of 4.71, 4.73 and 4.71. Also, the responses given by the workers of the electricity company of Ghana were consistent with each other, since the standard deviation are low. This implies that workers of the electricity company of Ghana have high employee engagement and relation.

Table 2. Descriptive Statistics of Firm Performance

	Min	Max	Mean	Std. Deviation
Financial Performance	3	5	3.85	0.43
Customer Satisfaction	2	5	3.57	0.59
Employee Productivity	2	5	3.67	0.56
Employee Satisfaction	2	5	3.71	0.52
Innovation and Creativity	2	5	3.78	0.49

Table 2 shows the descriptive statistics of the firm's performance in the aspect of financial performance, customer satisfaction, employee productivity, employee satisfaction and innovation and creativity. However, the mean values of these indicators of the firm performance are below 4.00 on a scale of 1-5. This is as a result of majority of the respondents rating the firm performance high, while quite a number of them rated it low.

However, among these five indicators, Financial Performance has the highest mean values (3.85), followed by Innovation and Creativity (3.78), Employee Satisfaction (3.71), Employee Productivity (3.67), and Customer Satisfaction (3.57). It also appears that the responses by the workers regarding all indicators under firm performance is consistent, since the standard deviations are very low.

Table 3. Employees' View on HRM Practices that Have Significant Impact on Performance

	Responses		
	N	Percent	Percent of Cases
Selection and Recruitment	125	23.3%	61.6%
Training and Development	135	25.2%	66.5%
Compensation and Benefits	161	30.0%	79.3%
Workplace Planning	114	21.3%	56.2%
Customer Satisfaction	1	0.2%	0.5%
Total	536	100.0%	264.0%

Majority (30.0%) of the employees were of the view that Compensation and Benefits has significant impact on performance in the Electricity Company of Ghana. This is followed by 25.2% of the employees who were of the view that training and development has significant impact on performance, 23.3% of the employees were of the view that Selection and Recruitment has significant impact on performance, and 21.3% of the employees were of the view that workplace planning has significant impact on performance. However, only one respondents (0.2%) was of the view that customer satisfaction has significant impact on firm performance.

Table 4. Employees' View on Challenges in Implementing HRM Practices

	Responses		Percent of Cases
	N	Percent	
Surplus of Staff	135	25.1%	67.2%
Lack of Leadership Support	139	25.8%	69.2%
Limited Resources	155	28.8%	77.1%
Resistance to Change	108	20.1%	53.7%
Others	1	0.2%	0.5%
Total	538	100.0%	267.7%

With regards to the challenges in implementing Human Resource Practices, 28.8% of the respondents were of the view that Limited Resources is a challenge in implementing Human Resource Practices. This is followed by 25.8% of the respondents who were of the view that Lack of Leadership Support is a challenge, 25.1% of the respondents were of the view that Surplus of Staff is a challenge, while 20.1% of the respondents were of the view that Resistance to Change is a challenge in implementing Human Resource Practices. Only 0.2% of the respondent was of the view that there are other challenges implementing Human Resources Practices.

Table 5. Suggestions or Recommendations to Help Improve HRM Practices

	Responses		Percent of Cases
	N	Percent	
Fostering good relationships between HR managers and employees and fostering leadership support and employee engagement	116	16.7%	57.7%
Provision of adequate resources and	128	18.4%	63.7%

investing more in training and development			
Conducting organizational analysis and creating strategic HRM plans in alignment with the company's goals and objectives	152	21.8%	75.6%
Provision of adequate resources and investing more in training and development	120	17.2%	59.7%
Review and optimize compensation and benefits.	99	14.2%	49.3%
Focus on workforce planning and strengthen performance management	81	11.6%	40.3%
Total	696	100.0%	346.3%

From Table 5, 21.8% of the respondents suggest that “Conducting organizational analysis and creating strategic HRM plans in alignment with the company’s goals and objectives” can help improve Human Resources Practices in the Electricity Company of Ghana. About 18.4% of the respondents suggest “Provision of adequate resources and investing more in training and development”, 17.2% of the respondents suggests “Provision of adequate resources and investing more in training and development” can help improve Human Resource Practices, and 16.7% of the respondents recommended that “Fostering good relationships between HR managers and employees and fostering leadership support and employee engagement” can help improve Human Resource Management. About 14.2% of the respondents recommended “Review and optimize compensation and benefits”, 11.6% of the respondents suggested that “Focus on workforce planning and strengthen performance management” can help improve Human Resource Management.

Table 6. Spearman Correlation Between Variables of Human Resource Practices

		Recruitment Selection	Training Development	Performance Management	Compensation Rewards	Employee Engagement
Recruitment Selection	Coeff.	1.00				
	Sig.					
Training	Coeff.	0.14	1.00			

Development	Sig.	0.04				
Performance Management	Coeff.	0.18	0.24	1.00		
	Sig.	0.01	0.00			
Compensation Rewards	Coeff.	0.10	0.13	0.21	1.00	
	Sig.	0.17	0.06	0.00		
Employee Engagement	Coeff.	0.13	0.17	0.19	0.17	1.00
	Sig.	0.06	0.01	0.01	0.02	

The spearman correlation from Table 6 shows that, some variables for Human Resource Practices have positive significant relationship with each other. As a result, they have significant p-values ($p\text{-value} < 0.05$). It is shown that, there is a significant correlation between Training Development and Performance Management with a coefficient of 0.24. Hence, Training Development has a positive significantly influence on Performance Management in the Electricity Company of Ghana. Also, Compensation Rewards and Employee Engagement both have significant correlation on Performance Management with coefficient of 0.21 and 0.19 respectively. This means that whiles, Compensation Rewards has a positive significant influence on Performance Management, Employee Engagement also has significant positive influence on Performance Management.

Employee Engagement is also being influenced positively by Training Development, and also by Compensation Rewards in the Electricity company of Ghana, because it has significant correlations (0.17) with them. Similarly, Recruitment Selection influence Training Development and Performance Management in the Electricity Company of Ghana with coefficient of 0.14 and 0.18 respectively. This is illustrated in Figure 4;

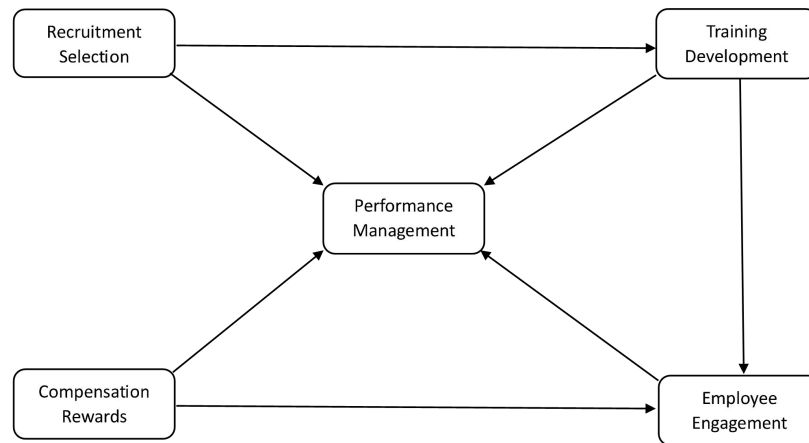


Figure 4. Correlation Analysis Among Variables on Human Resource Practice

Table 7. Spearman Correlation Between Variables of Firm Performance

		Financial Performance	Customer Satisfaction	Employee Productivity	Employee Satisfaction	Innovation and Creativity
Financial Performance	Coeff.	1.00				
	Sig.					
Customer Satisfaction	Coeff.	0.20	1.00			
	Sig.	0.00				
Employee Productivity	Coeff.	0.10	0.14	1.00		
	Sig.	0.16	0.04			
Employee Satisfaction	Coeff.	0.01	0.14	0.11	1.00	
	Sig.	0.90	0.04	0.12		
Innovation and Creativity	Coeff.	-0.02	-0.01	0.22	0.23	1.00
	Sig.	0.76	0.86	0.00	0.00	

The spearman correlation from Table 7 shows that, some variables for Firm Performance have positive significant relationship with each other. Consequently, they have significant p-values ($p\text{-value} < 0.05$). Firstly, there is a significant correlation between Employee Satisfaction and Innovation and Creativity with a coefficient of 0.23. There is also a significant correlation between Innovation and Creativity and also Employee Productivity. This means that Employee Satisfaction influence Innovation and Creativity, while Innovation and Creativity also influence Employee Productivity positively in the Electricity Company of Ghana.

Also, Employee Satisfaction and Employee Productivity all have significant correlation with Customer Satisfaction with coefficient of 0.14. This means that both Employee Satisfaction and Employee Productivity have positive influence on Customer Satisfaction in the Electricity Company of Ghana. As a result, Customer Satisfaction of the consumers positively influence the Financial Performance of the Electricity Company Ghana. This is illustrated in Figure 5;

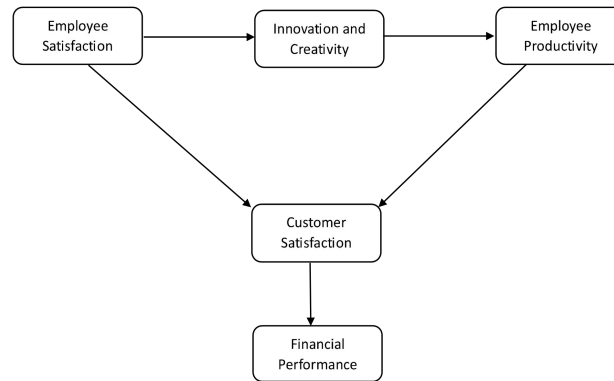


Figure 5. Correlation Analysis Among Variables on Firm Practices

Table 8. Regression Model of Human Resource Practices on Firm Performance

	Coefficients	Std. Error	t Stat	Sig.
(Constant)	3.13	0.53	5.86	0.00
Recruitment and Selection	0.01	0.06	0.14	0.89
Training and Development	0.06	0.07	0.73	0.47
Performance Management	0.13	0.07	1.80	0.07
Compensation Rewards	0.12	0.07	1.68	0.09
Employee Engagement	0.06	0.06	0.93	0.35

The regression model is; $Y = 3.13 + 0.01x_1 + 0.06x_2 + 0.13x_3 - 0.12x_4 + 0.06x_5$

Where Y = Firm Performance, X_1 = Recruitment and selection, X_2 = Training and Development, X_3 = Performance Management, X_4 = Compensation Rewards, X_5 = Employee Engagement

From the regression model, the dependent variable is Firm Performance, and has five independent variables which are; Recruitment and Selection, Training and Development, Performance Management, Compensation Rewards, Employee Engagement.

The regression model shows that the dependent variable which is Firm Performance is average (3.13) without the presence of the independent variables, on a scale of 1-5.

The coefficient 0.13 suggests that for every Performance Management practiced in the company, Firm Performance increases by 0.13.

The coefficient 0.12 suggests that for every Compensation Rewards given to employees in the company, Firm Performance increases by 0.12.

The coefficient 0.06 suggests that for every Employment Engagement attained in the company, Firm Performance increase by 0.06.

The coefficient 0.06 suggests that for every Training and Development activities in the company, Firm Performance increases by 0.06.

The coefficient 0.01 suggests that for every Recruitment and Selection practices, Firm Performance increases by 0.01.

In Summary, Performance Management and Compensation Rewards plays major roles in increasing Firm Performance than the other independent variables. However, the impact of Recruitment and Selection appears to be insignificant for Firm Performance.

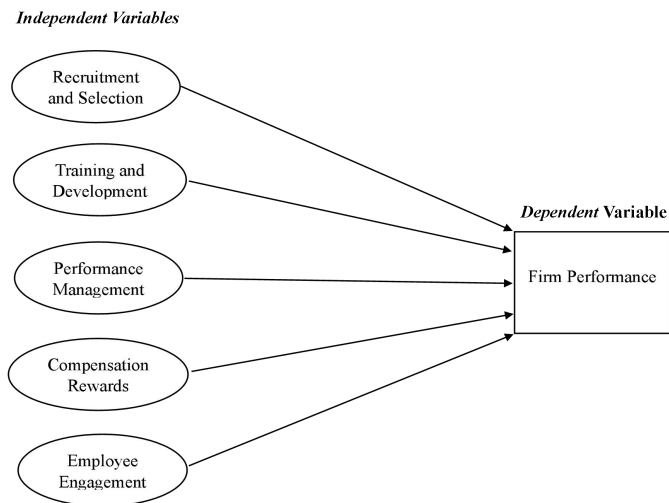


Figure 6. Independent and Dependent Variable Layout

Table 9. Regression Model on Human Resource Practice and Firm Performance

	Coefficients	Standard Error	t Stat	Sig.
(Constant)	3.11	0.53	5.83	0.00
Human Resource Practice	0.13	0.11	1.13	0.26

The regression model is; $Y = 3.11 + 0.13x$

Where Y = Firm Performance, X = Human Resource Practice

From the regression model, the dependent variable is Firm Performance, while the independent variable is Human Resource Practices. The model showed that Firm performance is average (3.11) without Human Resource Practices on a scale of 1-5.

The coefficient 0.13 suggests that for every Human Resource Practice, Firm Performance increases by a rate of 0.13. This actually shows that Human Resource indeed has a positive impact on Firm Performance, by increase the performance of the Electricity Company of Ghana.

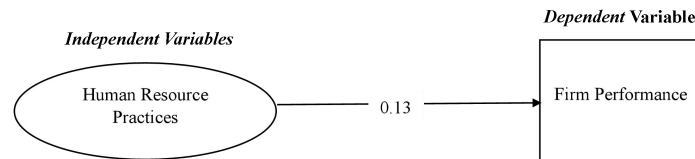


Figure 7. Independent and Dependent Variable Layout

Table 10. Performance Management Based on Different Department Division

	N	Mean Rank	Kruskal Wallis H	Asymp. Sig.
Administrative	34	87.44	13.230	0.021
CSD (Central Security Depository)	20	112.00		
District Technical Unit	42	126.01		
Financial Division	28	97.48		
Human Resources	29	86.98		
Information Technology Unit	54	106.86		
Total	207			

The Kruskal Wallis test on the performance Management based on difference department division, is significant ($p\text{-value} < 0.05$), which means that Performance Management is based on the department in which they work. Evident from Table 9, the District Technical Unit has the highest mean rank, followed by CSD (Central Security Depository), and Information Technical Unit. This means that Performance Management in the Electricity company of Ghana is influenced by the department in which they work, such that performance management is higher in District Technical Unit than other departments, followed CSD (Central Security Depository) unit, Information Technical Unit, Financial Division, Administrative unit and Human Resources department which has the least performance management as shown by the mean rank.

Table 11. Employee Engagement Based on Different Department Division

	N	Mean Rank	Kruskal Wallis H	Asymp. Sig.
Administrative	34	83.49	33.736	0.000
CSD (Central Security Depository)	20	89.13		

District Technical Unit	42	146.44
Financial Division	28	89.71
Human Resources	29	91.41
Information Technology Unit	54	103.58
Total	207	

Table 11 shows the Kruskal Wallis test on the Employee Engagement based on difference department division, is significant ($p\text{-value} < 0.05$), which means Employee Engagement is based on the department in which they work. From the analysis, District Technical Unit has the highest mean rank, followed by Information Technical Unit. This means that Employee Engagement in the Electricity company of Ghana is actually influenced by the department in which they work, such that Employee Engagement is high in District Technical Unit than other departments, followed by Information Technical Unit, Human Resources, Financial Division, CSD (Central Security Depository), and Administrator which has the least employee engagement as shown by the mean rank.

Table 12. Compensation and Reward Based on Different Department Division

	N	Mean Rank	Kruskal Walli H	Asymp. Sig.
Administrative	34	75.21	30.195	0.000
CSD	20	93.10		
District Technical Unit	42	141.40		
Financial Division	28	94.98		
Human Resources	29	98.62		
Information Technology Unit	54	104.64		
Total	207			

Table 12 shows the Kruskal Wallis test on the Compensation and Rewards based on difference department division, is significant ($p\text{-value} < 0.05$), which means Compensation and Reward is based on the department in which employees work. Evidence from the analysis, District Technical Unit has the highest mean rank, followed by Information Technical Unit. This means that Compensation and Reward in the Electricity company of Ghana is influenced by the department in which they work, such that Compensation and Reward is highest in District Technical Unit, followed by Information Technical Unit, Human Resources, Financial Division, CSD (Central Security Depository), and the department with the least Compensation and Reward in the Administrative department, which has the least mean rank.

5. Discussion and Recommendations

5.1 Discussion

The findings from the survey conducted among employees of the Electricity Company of Ghana provide significant insights into the relationship between Human Resource Management (HRM) practices and firm performance. The demographic features indicate a predominance of male respondents (56%) and a younger workforce, with 88.4% aged between 26 to 45 years. This demographic profile reflects a workforce that is likely to be more receptive to modern HR practices and training initiatives, as younger employees often seek growth and development opportunities (Ng & Parry, 2016).

1. HRM practices and firm performance

The descriptive statistics reveal high mean ratings for various HRM practices, particularly in areas such as Compensation and Rewards (mean = 4.75), Performance Management (mean = 4.70), and Training and Development (mean = 4.67). These results align with existing literature that emphasizes the importance of effective HRM practices in enhancing employee satisfaction and organizational performance (Becker & Huselid, 1998). Specifically, the correlation analysis indicates a significant positive relationship between Training and Development and Performance Management (coefficient = 0.24), suggesting that investments in employee training can lead to improved performance outcomes.

The regression analysis further supports these findings, revealing that Performance Management (coefficient = 0.13) and Compensation Rewards (coefficient = 0.12) significantly contribute to enhancing firm performance. This echoes the work of Wright and Nishii (2006), who argue that performance management systems are critical in aligning employee objectives with organizational goals, thus fostering a culture of high performance. Conversely, the minimal impact of Recruitment and Selection (coefficient = 0.01) on firm performance suggests that while attracting talent is essential, the effectiveness of HRM practices in retaining and developing talent may have a more pronounced effect on organizational outcomes (Schuler & Jackson, 2007).

2. Challenges in implementing HRM practices

Despite the positive ratings for HRM practices, challenges persist in their implementation. A significant number of respondents identified Limited Resources (28.8%) and Lack of Leadership Support (25.8%) as primary obstacles. This finding aligns with existing literature that highlights the role of organizational support in successful HRM implementation (Khilji & Wang, 2006). Without adequate resources and leadership backing, even well-designed HRM strategies may falter, leading to sub optimal performance.

Moreover, the suggestion from employees to conduct organizational analysis and create strategic HRM plans indicates a need for a more systematic approach to HRM practices. This aligns with the strategic HRM perspective, which posits that HRM practices should be integrated with the organization's strategic objectives to maximize their impact (Boxall & Purcell, 2003).

5.2 Recommendations

Based on the findings and discussions, several recommendations can be made to enhance HRM practices and improve firm performance in the Electricity Company of Ghana:

1. Enhance leadership support for HRM initiatives

It is crucial for organizational leaders to actively support HRM initiatives. This can be achieved through regular communication about the importance of HRM practices and their impact on performance. Leadership training programs can also equip managers with the necessary skills to champion HRM initiatives effectively (Kirkpatrick, 2006).

2. Invest in training and development

Given the positive correlation between Training and Development and firm performance, the organization should prioritize investment in comprehensive training programs. This includes not only skills training but also leadership development programs that prepare employees for future roles. Such investments are likely to yield high returns in terms of employee productivity and satisfaction (Noe, 2017).

3. Conduct regular organizational assessments

Implementing regular assessments of HRM practices can help identify gaps and areas for improvement. These assessments should involve feedback from employees at all levels to ensure that HRM initiatives align with their needs and expectations (Armstrong, 2014).

4. Allocate adequate resources for HRM practices

To overcome the identified challenges related to limited resources, the organization should allocate sufficient budgetary support for HRM initiatives. This includes not only financial resources but also human resources, ensuring that HR departments are adequately staffed and equipped to implement effective HRM strategies (Collins & Smith, 2006).

5. Leverage technology in HRM

Embracing technology can enhance HRM practices, particularly in areas such as recruitment, training, and performance management. Utilizing HR management systems can streamline processes, improve communication, and provide data-driven insights for better decision-making (Marler & Fisher, 2013).

6. Foster a culture of continuous improvement

Establishing a culture that encourages continuous feedback and improvement can significantly enhance employee engagement and performance. This can be achieved through regular performance reviews, employee recognition programs, and initiatives that promote open communication (Saks, 2006).

By implementing these recommendations, the Electricity Company of Ghana can strengthen its HRM practices, ultimately leading to improved firm performance and employee satisfaction.

6. Strengths, Limitations and Future Research

This research presents several notable strengths. First, it features a diverse demographic representation among respondents, encompassing various genders, ages, and departments. This diversity enhances the generalization of the findings, making them more applicable to a broader audience. Additionally, the study achieved a high response rate, which contributes to the robustness of the data collected, effectively reflecting the perspectives of employees.

Another strength lies in the use of multiple metrics to assess HRM practices, including recruitment, training, performance management, and employee engagement. This comprehensive approach allows for a detailed understanding of how these factors influence firm performance. Furthermore, the application of statistical analysis, including Spearman correlation and regression models, bolsters the validity of the findings by elucidating the relationships between various variables. The study also identifies key HRM practices that significantly impact firm performance, such as performance management and compensation rewards, providing valuable insights for management.

Despite these strengths, the study has several limitations. One significant drawback is its limited scope of analysis, focusing solely on the Electricity Company of Ghana. This singular focus may restrict the applicability of the findings to other sectors or companies, potentially affecting external validity. Additionally, the reliance on self-reported data could introduce bias, as respondents may provide socially desirable answers rather than their true opinions. The cross-sectional design of the study further limits the ability to infer causality between HRM practices and firm performance over time. There is also a potential for non-response bias, as the findings could be skewed by those who did not participate in the study despite the high response rate. Lastly, the narrow focus on HRM practices overlooks other organizational factors, such as market conditions or competition, which could provide a more holistic understanding of performance drivers.

Looking ahead, future chapters could benefit from several suggestions. Conducting a comparative analysis of HRM practices across different organizations or sectors could help identify common trends and unique challenges. Additionally, longitudinal studies would be valuable in understanding the long-term impacts of HRM practices on firm performance, shedding light on trends over time. Incorporating qualitative methods, such as interviews or focus groups, could also provide deeper insights into employee perceptions and the contextual factors influencing HRM practices.

Moreover, exploring external variables, such as economic conditions or industry changes, could enhance the understanding of the relationship between HRM practices and firm performance. Investigating the effects of specific HRM interventions—like new training programs or changes in compensation structures—on employee performance and satisfaction could yield practical recommendations for organizations. Finally, dedicating a chapter to examining how advancements in technology influence HRM practices and employee engagement, particularly in sectors like electricity where technological changes are prevalent, would be a timely and relevant addition.

These strengths, limitations, and future directions will contribute significantly to enhancing the understanding of HRM practices and their impact on organizational performance, providing a framework for subsequent research efforts.

7. Conclusion

This study provides significant insights into the impact of Human Resource Management (HRM) practices on enterprise performance within the Electricity Company of Ghana. Through rigorous data analysis, it reveals that effective HRM practices—specifically Recruitment and Selection, Training and Development, Performance Management, Compensation and Rewards, and Employee Engagement—are positively correlated with enhanced firm performance. The findings highlight the critical role that HRM plays in driving organizational success, emphasizing that well-implemented HR strategies can lead to higher employee satisfaction and improved performance outcomes.

Moreover, the research identifies existing challenges in the implementation of these practices, such as limited resources and lack of leadership support, which can hinder the effectiveness of HRM initiatives. Addressing these challenges is essential for maximizing the potential benefits of HRM on performance. The study's recommendations, including fostering strong relationships between HR managers and employees and aligning HRM strategies with organizational goals, offer practical pathways for improvement. By prioritizing these areas, the Electricity Company of Ghana can enhance its HRM practices, ultimately leading to better performance and competitive advantage in the industry.

In summary, this research underscores the importance of strategic HRM practices in achieving organizational objectives and provides a foundation for future studies aimed at exploring the broader implications of HRM on firm performance across various sectors.

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CONFLICT OF INTEREST AND DECLARATION

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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