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STRATEGIC HUMAN RESOURCE MANAGEMENT AND PERFORMANCE OF FIRST BANK OF NIGERIA PLC

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ABSTRACT

This strategic fit is constantly changing and evolving, *and deposit money banks are disadvantaged due to obstacles confronting the implementation of Strategic Human Resource Management (SHRM) in Nigeria. This study, therefore, examined the impact of SHRM on performance in the banking industry. The study employed exploratory and descriptive research designs to answer research questions in line with the study objectives; to examine the challenges affecting SHRM practices on bank performance, to determine the effect of human resources training and development, and to investigate the extent to which strategic human resource planning affects bank performance. Probability and non-probability sampling techniques through purposive and simple random sampling were employed to select a sample size of 120 out of the total population of 175 employees of First Bank Plc in the Ilorin Metropolis. Regression and Thematic analysis were used to test the study's hypotheses using SPSS and Nvivo Software. The hypotheses were subjected to test at a 5% level of significance. The finding revealed that financial legal practice (β=0.534; p=0.000<0.05), strategic managerial change(β=0.448; p=0.033<0.05), leadership development problem(β=0.625; p=0.000<0.05), talent retention(β=0.833; p=0.014<0.05), and compensation management system(β=0.697; p=0.000<0.05) are SHRM challenges affecting service delivery operational performance, which passed their test of significance at 5% levels except adapting to financial innovation (β=0.051; p=0.531>0.05). A sequel to this was the finding from the thematic analysis that a push toward digital innovation within the industry generated an uproar regarding job insecurity and slowed down operational performance while going remotely due to security challenges, technical constraints, and infrastructural deficiency. The study concludes that a holistic planning approach towards talent retention, innovation, reward, career development and the* degree to which jobs are narrowly defined as a strategic fit to improve employee performance. It was recommended that strategic managers pay positive attention to the planning, particularly one involving a reward management system that meets the cultures of individuals who *want to join the organisation to avoid underperformance.*

Keywords: Strategic HRM, legal practice, managerial change, leadership development, talent retention, First Bank Nigeria.

1.0 Introduction

The bank is committed to providing customers with efficient, sound, and reliable banking services. The industry is considered one of the most important sectors that makes a major contribution to financial security. The banking functions provide adequate and timely financial cash backing and track, monitor, and control money supply. The Nigerian bank has suffered several setbacks over the years owing to the lack of integration of business strategies with human resource management (Adegoroye et al. 2018). Some challenges hold back the industry from total adoption of SHRM, ranging from heavy competition among banks, technology, and infrastructure problems, and poor quality of service, among others, resulting in poor performance in the banking industry. Also, many banks nowadays have paid more attention to skilled graduates with less effort in training and developing employees, which affects the quality of service and productivity (CIPD, 2019; Budhwar, 2020). However, it is noteworthy that the business environment is uncertain and dynamic. In recent years, it has been noted that many banks are challenged with poor performance due to obstacles confronting the adoption of SHRM.

SHRM is one of the key determinants in fostering organisational performance, as shown in several empirical studies (Folabi, 2015; Hornsby & Kuratko, 2023). The challenge of poor labour productivity and employee inefficiency can be traceable to the feeble and meager use of HRM from a strategic point of view. To highlight the concept's significance to the proper running of companies, scholars have evolved the idea of HRM into SHRM. Accordingly, a large body of literature asserts that SHRM is causally related to business outcomes. In addition, some academics hold the view that successful companies place a premium on implementing certain HRM policies and tying them directly to their overall company goals. Nevertheless, despite SHRM's growing popularity, there are still questions about its theoretical underpinnings and relatively few systematic analyses of the assertions that it is connected to performance (Kai et al. 2017; Hememan et al. 2020). This issue statement may be specifically explored by providing a solution to the primary study question of how SHRM adoption influences bank performance. In light of these circumstances, this research aims to evaluate

how First Bank Plc. Ilorin's performance is affected by strategic HRM.

The practical significance of SHRM resides in its capacity to synchronise the workforce with the aims and objectives of the organisation because human capital plays a vital role in obtaining success, especially in the banking industry, such as First Bank of Nigeria Plc. By 2023, many recruiting firms in Nigeria had successfully employed more than 550 individuals for various commercial banks in the country, including First Bank (Efuk et al. 2024). However, the National Bureau of Statistics (NBS) consistently publishes information about the metrics such as employment figures, unemployment rates, and the labour force participation rate. Hence, the bank is a notable entity in the financial industry, and has distinct prospects that need a detailed analysis of how SHRM influences its performance. This study will provide significant perspectives on maximising HR, promoting employee involvement, and aligning HR strategies with organisational objectives, therefore helping the bank to adjust to changing market circumstances. This applies not only to First Bank but also to the wider financial industry. Against this background, the paper tends to achieve the effect of SHRM on the performance of First Bank Plc and the specific objective is to explore the challenges affecting the SHRM practice on their performance. However, the following research hypothesis is formulated to guide the study:

H_{01}: Challenges affecting strategic human resource practices do not significantly impact organisational performance.

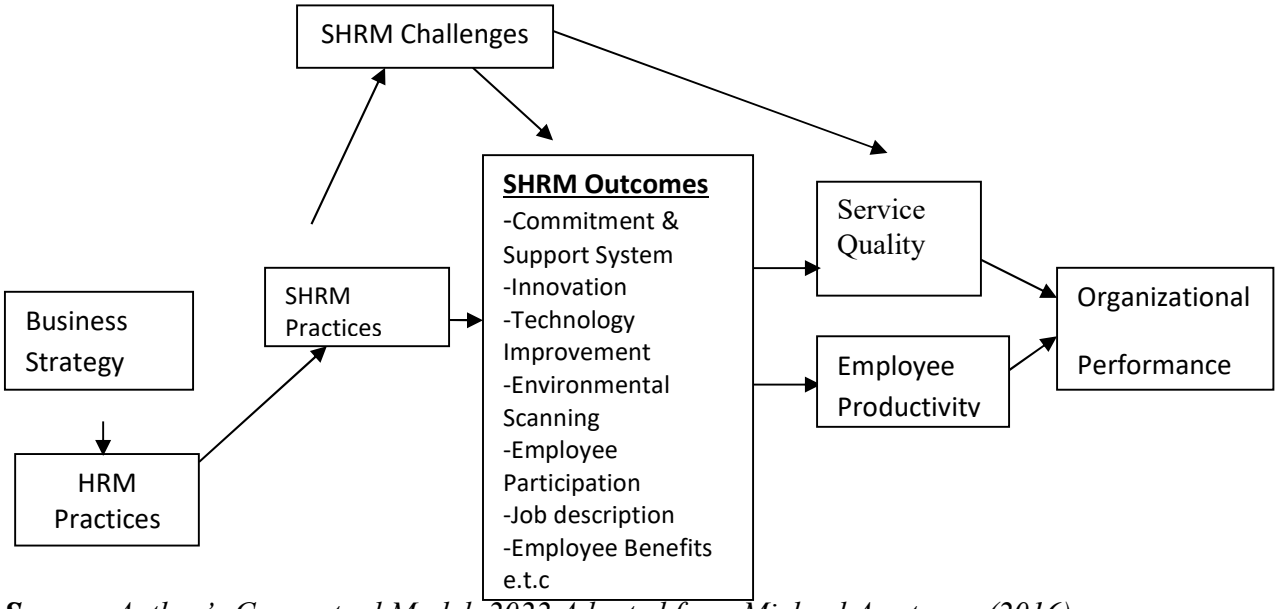
2.0 Literature Review

Strategic Human Resource Management

The concept of SHRM is a strategic method adopted to accomplish the pre-determined objectives of any organisation (Guest, 2001). Boxall and Purcell (2008), outlined SHRM as "the methods for adjusting the management of human resource strategy to help the achievement of the HR and, surely, help to characterise it. Dressler (2010) described SHRM "as the degree to which HRM is established amid the detailing and usage of corporate/business procedures". SHRM has additionally been characterised as an "example of arranged human resources organisations and exercises planned to accomplish organisation goals" (Kaya, 2016; Collings et al. 2018). This definition verifies that a definitive goal of SHRM is to add to

organisational performance (for example, the accomplishment of the organisation's goals).

Figure 1: Conceptual Framework of Relationship between SHRM and Organizational Performance Model



Source: *Author's Conceptual Model, 2022 Adapted from Michael Amstrong (2016)*

Based on figure 1 above, it is seen that SHRM practice is associated to the performance of the organisation. Also, there are a few key challenges in SHRM that will impact employee productivity and affect organisational performance. Attracting and retaining qualified employees, the organisation's business strategies should be aligned with effective HRM practices. This will impact the organisation through matching staff with the organisation's strategic and organisational needs (Bamberger & Meshoulam, 2020). Additionally, it facilitates the hiring, training, and advancement of qualified workers who "suit" the organisation's culture and strategic requirements and who can achieve high performance, efficiency, and a high degree of social customer care. Additionally, the workplace environment in terms of service quality will impact organisational culture, vision, diversity, and work-life balance and have a rebounding effect on the firm's overall performance. On the other hand, when a

workplace attracts prospective employees, it is assumed that the company will be a successful and pleasant workplace (Muogbo, 2023). Furthermore, reward management will guarantee that workers stick to their responsibilities and gain advantages. In exchange, the company will pay workers based on their output and how they help the company. Additionally, learning and growth have a significant impact on the success of organisations. It broadens the field of knowledge and determines the skill levels that the workforce requires (Massawe, 2019).

Organisational Performance

According to Lengnick-Hall et al. (2019), performance is a multifaceted construct that has been defined in a variety of ways. According to Sisson and Storey (2020), many performance measurement kinds are most suited for the SHRM study. Onugu and Nwankwo (2023) suggested four ways to measure effectiveness: (1) outcomes related to HR (such as turnover, absenteeism, and individual or group performance); (2) outcomes related to organisations (such as productivity, quality, and service); (3) outcomes related to finance (such as profitability, ROA, and ROIC); and (4) stock market performance (stock value or shareholder return). The organisational performance indicator utilised in this research was the subjective market performance measure developed by Wright and Snell (1999). Sales, profitability, and marketing are all included in this arbitrary market performance metric. Although there are issues regarding subjective measurements, such as higher measurement errors and the possibility of common method biases, some compelling reasons exist for employing such measures (Su et al. 2015; Tessember & Soeters, 2016).

SHRM and Bank Performance

Not much research has been done on how SHRM practices affect bank performance. This field is somewhat uncharted territory because it was observed that Nigerian banks were lagging behind their foreign counterparts in terms of competition (Paul et al., 2015; Sany, 2019). However, the impact of HRM on performance has been positive, and numerous authors have emphasised the necessity of conducting comparable studies for the banking sector. The significance of SHRM practices in the banking sector is the main topic of the present study. Strategic managers understand that to accomplish their goals, strategic human resources

management techniques are essential. However, putting the theory into reality might lead to many issues. Many writers have conducted empirical research on the relationship between SHRM and performance (Inyang, 2010).

Adegoroye and Oladejo (2022) examine how training affects output and adds value. He presents a model where training is quantified based on the number of employees and the business size. His findings support the moderation effect of employee training efforts, but they do not show a relationship with the business size; small and medium-sized businesses typically guarantee a lower training volume than large businesses, which lessens the impact on output and added value. Even if the training improves performance for smaller businesses, the benefits won't be sufficient to offset the expenditures.

According to Adeyeye (2019), tiny and newly established companies may have trouble hiring staff members since they don't have the necessary standing and resources. Bekele and Zeleke (2018) conclude that it is difficult for an organisation to hire the right people if prospects are unaware of the firm, its policies, or its financial standing. It is argued that SHRM only has a changeable intermediate causal chain to influence business performance indirectly. The fundamental premise is that performance may be categorised according to hierarchical tiers, with the performance of one level ultimately influencing subsequent levels (Chang & Huang, 2015; Peng & Chiu, 2020).

Theoretical Review

When resources are managed such that their results cannot be replicated by rivals, a bank's resource-based view (RBV) describes how it might provide a durable competitive advantage, eventually creating a competitive barrier (Barney et al. 2001). According to RBV, a company's ability to maintain a sustainable competitive advantage stems from its possession of unique resources that are valuable, rare, inimitable, non-tradable, and non-advantageous. These resources are difficult to acquire, transfer, or duplicate, and they also add value to the company while remaining uncommon (Barney et al. 2001). The capacity of the company to sustain a mix of resources that rivals cannot acquire or accumulate comparably is a major problem in RBV. Put another way, a company may obtain a competitive advantage over rivals if the resources it uses are difficult for them to copy or replace with comparable resources that another company uses. These result in

priceless resources that need considerable work to substitute or imitate fully (Barney et al. 2001).

Empirical Review

Aremu and Adeyemi (2021) conducted a study on the design of organisations for development. Specifically, he examined HR's role in addressing the major concerns that arise when creating an organisation that is intended to expand quickly. HR professionals play a vital strategic role in the company by driving design processes, understanding organisation design methodologies for growth, and developing the organisation's capacity for development. To perform this role, HR needs to learn new skills in organisation design, be active in helping the company think through how it should be formed, and incorporate growth routines into the organisation (Aremu & Adeyemi, 2021). According to Akindele et al. (2021), the fundamental duties of SHRM include creating and implementing a system of internally consistent policies and procedures that guarantee a company's human capital contributes to accomplishing its business goals. To accomplish corporate objectives, SHRM represents a more flexible design and usage of HR, which gives businesses a competitive edge (Ahmad & Schroeder, 2023). Significantly, SHRM strongly emphasises improving the firm's ability to effectively use its people resources to adapt to the outside world.

In a different analysis, Dimba and Obonyo (2019) examine the relationship between some aspects of organisational sufficiency in Nigerian financial firms and methods for improving human capital. Data were generated using techniques for two queries limited to around ten selected banks in Lagos, Nigeria. He discovered a mediocre correlation between organisational viability and human capital progress. Efuk et al. (2024) investigate how strategic HRM practices affect state government agency performance. The findings demonstrate that companies are better equipped to meet their goals and objectives using personnel practices like internal career ladders, formal training programs, outcome-oriented performance reviews, job security, employee voice, and performance-based pay.

Although there have been many studies conducted on the connection between SHRM practices and organisational performance, there is a lack of research specifically investigating this relationship within the distinct operational and cultural

context of the Nigerian banking industry, with a specific emphasis on First Bank of Nigeria Plc. The existing body of research does not provide a thorough examination of the precise SHRM tactics used by First Bank and their influence on crucial performance metrics. It is essential to address this gap to provide valuable insights for academic academics and practitioners who are interested in customising SHRM techniques to enhance organisational performance in the Nigerian banking sector.

3.0 Methodology

The research method defines the plan to follow while organising the research process and answering the research questions (Essien 2021). Three research methods are available: quantitative, qualitative, and mixed. The best approach employed in this study is the quantitative (survey) research method, as it generates numerical data that can be used to establish the nexus between SHRM and organisational performance. In this study, both exploratory and descriptive research designs were used. The exploratory design would be more useful as it allows the study to ask open questions that help clarify the problem (Asika, 1991). Moreover, this design is best suited for research questions that start with "What" and "How" and is therefore in line with the research questions raised in this study.

The survey questionnaire was employed to source relevant information about the studies' variables relating to a topical issue connecting SHRM and the organisational performance of banks. A closed-ended questionnaire was used to seek respondents' opinions for clarity of topical issues for quantitative reasoning. The questionnaire solicits information about the personal data of respondents' gender/sex, age, educational background, working experience, and current job levels in section A. Also, the constructs will follow five-point Likert scale (e.g. 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree), in which respondents had to indicate the extent to which the dimensions of SHRM represented the organisational performance in the banking industry. To ensure practical applicability of the data instrument in the study area, the study made a few wording modifications for simplicity and understanding of the terms of the adapted instrument. The subsections of the questionnaire were divided into independent and dependent variables such that SHRM variables and organisational performance in the banking industry have some dimensions to measure them in sections B, C, and D, respectively. Also, the instrument contains a required number of standardised items in the constructs relevant to the study's objectives.

Population of the Study

This research targets a population of 175 employees of First Bank of Nigeria plc in the Ilorin Metropolis. These employees are believed to be best positioned to respond objectively on the topical issues connecting

SHRM and Organizational Performance. Thus, the population was collated from four (4) branches of First Bank Plc in Ilorin, as shown in the following table.

Table 1: Staff Strength of First Bank Plc in Ilorin Kwara State

Branches	Number of Employees
Unity Branch, Ilorin	55
Surulere Branch, Ilorin	43
Taiwo Branch, Ilorin	40
Sawmill Branch, Ilorin	37
Total	**175**

Source: HR-Desk of First Bank Plc, Ilorin (2023)

Sample Size and Sampling Technique

Both probability and non-probability sampling techniques through the use of purposive and simple random sampling were employed in this study. Each member of the population has an equal chance of selection and is best fit for this research since the survey was used to collect data. The first stage employed purposive selection of four (4) branches of First Bank Plc in Ilorin Metropolis namely; Unity, Surulere, Sawmill, and Taiwo Isale. The second stage employed the Simple Random Sampling technique in selecting a sample size of one hundred and twenty (120) out of a total population of one hundred and seventy-five (175). Asika, (2010) explained that an appropriate sample size is important to research reliability, and validity and for the complete enumeration of the population characteristics. According to Krejcie & Morgan (1970), obtaining the final selection through statistical formula as follows:

Table 2: Proportionate Sampled of Employees in Bank Branch/Strata

Industrial Branch/Strata	Number of Employees	Percentage	Total sample size n = 175	Final sampling units from each industrial branch/stratum
Unity Branch, Ilorin	55	0.3143	0.3143 x 120	38

Surulere Branch, Ilorin	43	0.2457	0.2457 x 120	30
Taiwo Isale Branch	40	0.2286	0.2286 x 120	27
Sawmill Branch, Ilorin	37	0.2114	0.2114 x 120	25
Total	175	1.0000		120

Source: Author's Computation, 2023

Thirty-eight (38) respondents representing 31.4% of employees were selected from Unity Branch Ilorin, thirty (30) respondents representing 24.6% were sampled from Surulere Branch Ilorin, twenty-seven (27) respondents representing 22.9% of employees were selected from Taiwo Branch, and twenty-five (25) respondents representing 21.1% of employees were sampled from Sawmill Branch of the First Bank Plc Ilorin. This means that the Unity Branch of the First Bank Plc Ilorin has the largest number of participants in the study.

Data Analysis Technique

Regression and Thematic analysis was used to test hypotheses 1 and 3. The two statistical tools answer the two most important questions raised in research questions 1 and 3 of the study, i.e. how does the challenge affecting SHRM impact organisational performance of bank?, and to what extent do the effects of strategic human resource planning affect organisation performance?

Table 3: Summary of Variable and Analytical Tools Employed

S/N	Research Objectives	Hypothesis Stated in Null Form	Statistical Tools
1	To determine the extent to which Challenges affecting strategic human resource practices have impact on corporate performance of an organisation	Challenges affecting strategic human resource practices does not have a significant impact on	**Thematic Analysis (Nvivo) and Multiple Linear Regression Analysis**

		performance of First bank of Nigeria	

Validity and Reliability of the Research Instrument

The instruments in this research were tested for reliability using Cronbach's Alpha. The generally acknowledged rule of thumb is that a coefficient of 0.6 to 0.7 denotes adequate consistency, while 0.8 or above denotes excellent consistency. A high alpha value (α>0.9) might point to redundant information and propose shortening the test duration (Cochran, 1997). After the pilot trial, condensation was achieved by rewording the questions with low alpha. This made sure the device recorded all the necessary information.

Table 4: Reliability of the Data Instrument

SECTION	Variability of the study	Corrected item-total correlation	No of respondents	No of items	cronbach's alpha if item Deleted	cronbach's alpha based on standardised item
A	Demographic Data	0.211	15	5	0.899	0.735
B	SHRM-challenges	0.725	15	5	0.823	0.844
E	Organisational Performance	0.770	15	6	0.805	0.873

Source: **Author's computation, 2023**

A column in Table 3.12, presents the value that cronbach's alpha would be if a particular item was deleted from the scale. The cursory look shows that the removal of any question

from study variables, except demographic variables would result in a lower cronbach's alpha. Hence, the overall standardised and inter-item Cronbach's alpha value of all dependent and independent variables of the study achieve the minimum requirement of reliability analysis (i.e. *α0.70*). Thus, based on this finding, it is concluded that all 36 items are reliable and valid to measure the opinions of employees regarding the nexus between SHRM and Organisational Performances in the bank.

4.0 Result and Discussion

The table below presents the respondents' demographic information in frequencies distribution tables and percentages. The study found it crucial to provide evidence of demographic data since it was deemed that such information was a clear indicator of factors that may influence SHRM Practices on Organizational Performance of First Bank Plc, Ilorin. Hence, this descriptive analysis of demographic profile has some peculiar characteristics and relevance to objective responses of the study.

Table 5: Sociodemographic information of the participants

Constructs	Count	Frequency
Gender		
Male	68	56.7
Female	52	43.3
Age		
20-29 years	23	19.2
30-39 years	57	47.5
40-49 years	30	25.0
50-59 years	7	5.8
60 years and above	3	2.5
Educational		
OND	8	6.7
HND/B.Sc	36	30.0
M.Sc	64	53.3
ICAN/ACCA/ACIB	12	10.0
Experience		
Less than 5 years	24	20.0
6-10 years	68	56.6
11-20 years	20	16.7
21 years above	8	6.7
Job Level		
Upper Level Managers	4	3.4
Middle Level Managers	28	23.3
Low Level Managers	16	13.3
Non-managerial Level	72	60.0

Test of Hypotheses

Ho_1: Challenges affecting strategic human resource practices does not have a

significant impact on organisational performance.

H_{a1}: Challenges affecting strategic human resource practices have a significant impact on the organisational performance. The generalised linear regression model (GLM) measures the probability of the impact of challenges of SHRM affecting the organisational performance of First Bank Plc. The internal and external operational performance of the bank indicator is focused on three indicators that were used as the dependent variables (Y_i) including the increase in service quality, customer satisfaction, and employee task performance. The impact of the challenges affecting SHRM (X_i) is captured by running the econometric model to consider six cases where a distinction is made in terms of the three (3) variables that capture the organisational performance of the bank. The results of the econometric exercise are presented in Table 4.5.1 below

Table 6: Generalised Linear Regression Model (GLM) of Parameters Estimate of Challenges Affecting SHRM on Organizational Performance

Dependent Variables	Parameter	B	Std. Error	t	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Service Delivery	Intercept	.194	.085	2.282	.001	.075	.262
	CBL	.534	.022	24.273	.000	.425	.760
	SMC	.448	.015	29.867	.033	.311	.479
	LDEV	.625	.019	32.894	.000	.583	.958
	AFI	.051	.077	.0662	.531	.006	.192
	RTE	.833	.021	39.667	.014	.712	.842
	CMS	.697	.014	49.785	.000	.556	.081
Customer Satisfaction	Intercept	.385	.033	11.667	.004	.075	.262
	CBL	.799	.054	14.796	.022	.725	.860
	SMC	.541	.011	49.182	.036	.411	.571
	LDEV	.923	.023	40.130	.000	.883	.958
	AFI	.493	.035	14.086	.000	.456	.602

	RTE	.809	.071	11.394	.001	.749	.832
	CMS	.329	.032	10.281	.005	.306	.381
Employee Task	Intercept	.677	.027	25.074	.000	.533	1.321
Performance	CBL	.469	.082	5.692	.000	.307	.632
	SMC	.413	.059	7.031	.000	.297	.529
	LDEV	.437	.073	6.015	.000	.581	.294
	AFI	.155	.052	2.966	.003	.052	.258
	RTE	.344	.079	4.358	.000	.499	.188
	CMS	.368	.073	5.063	.000	.225	.511

Source: Field Survey, 2023

The result of the regression table exposed how compliances to banking law (CBL), strategic managerial change (SMC), leadership development problem (LDEV), adaptation to financial innovation (AFI), Talent retention/attraction (RTE), and compensation management system (CMS) are tested positive to the challenges affecting SHRM on organisational performance of First Bank Plc. All variables are treated symmetrically and hereby become a good measure of organisational performance used in predicting the performance of First Bank Plc. On the basis of the individual statistical significance of the variables as indicated by the p-values, in the model, all dimensions of SHRM-challenges except adapting to financial innovation (β=0.051; p=0.531>0.005), passed their test of significance at 5% levels with respect to the service quality operational performance of First Bank Plc. This result corroborates the findings of Som (2008) who found that the synergy between innovative HRM practices was not found to be significant in enhancing performance especially during the liberalisation process. However, there is a repressive effect on organisational performance if challenge affecting SHRM is removed from the model (i.e. CBL=SMC=LDEV=AFI=RTE=CMS=0);

the vector error correction (intercepts) indicated by the constant of regression in the econometric model, implied future improvement of 19.4% in service quality of the bank (c=0.194), improvement of 38.5% increase in customer satisfaction (c=0.385) as well as improvement in employee task performance by 67.7% (c=0,677). This findings aligned with Popoola (2019) and

Muogbo (2013) that majority of the organisations failed to embraces SHRM in its totality because of the challenges surrounding its adoption and the fact that most firms are relatively young in Nigeria. Therefore, the null hypothesis one is rejected, and the alternate hypothesis is accepted by posited that challenges affecting SHRM practices has a significant impact on the organisational performance at 5% level.

Thematic Analysis

For more clarity on the challenges surrounding total adoption of SHRM and organisational performance in bank, an in-depth interview in form of open-ended questions focus on issue and challenges affecting SHRM was conducted for a small group (Strategic Managers of the bank). It is not disagreeable to contend that, there is a need to diversify various aspects of jobs in the banking industry especially ones that require quality of service, customer's satisfaction, and employee task performance, as an attempt to get a true picture of the challenges affecting SHRM (SHRM) on the performance of the bank. This analysis of themes provides substantial direction for an empirical exploration of the identified challenges in the econometric model above, especially by suggesting solutions from strategic managers of the selected bank in the Ilorin Metropolis. The analysis is divided into themes A and B according to the objective one of the study.

Table 7: Interview Information

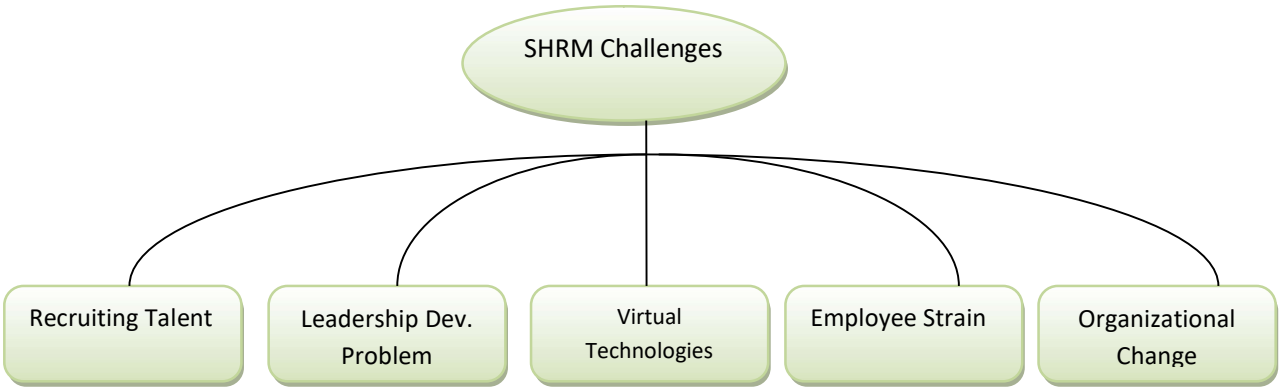
Participants' Code	Date of Focus Group Discussion	Position	Location
Participant 1 UN	7 March, 2023	Strategic Manager	Ilorin
Participant 2 SL	14 March, 2023	HR Manager	Ilorin
Participant 3 TW	21 March, 2023	Strategic Manager	Ilorin
Participant 4 SW	28, march, 2023	Marketing Manager	Ilorin

Source: Author's Computation, 2023

Table 7, shows the various participants, the location of the respondents, and the date of the focus group discussion. Before the commencement of the in-depth interview

proceedings, verbal consents were obtained from the respondents. Also, they were adequately informed of the study's objectives, and methods as well as assured confidentiality. They were assured that none of them would be identified by name or any other means that could reveal their identity at any time, before, during, or during the analysis

Figure 2 Mind-up Map of Challenges Affecting SHRM



Source: Nvivo 11 Map Path Output, 2023

The result of the discussion was analysed based on contents, where each item was coded and categorised, the result anchored on the SHRM challenges among strategic managers regarding selected banks in Ilorin Metropolis. The study identified five areas of challenges affecting SHRM which include; recruiting talent, leadership development problems, virtual technologies, employee strain and organisational change. Each of these variables is also affected by sub-variables as submitted in the answer to sub-questions in theme A below:

***Theme A*- Challenges Affecting SHRM and Organizational Performance**

One such manager, who responded to questions about how banking copes with human resource management (HRM) in the aftermath of the pandemic, was Divisional Manager at Unity Branch Ilorin, who reported a number of challenges in the wake and aftermath of COVID. This is because the banking industry is global. The excerpts in the interview collated from four (4) managers in four ((4) selected branches of the First Bank Plc were reported as follows:

a) Challenges for re-training and recruiting of talent

A question on "how does your organisation manage recruitment and talent retention to meet a competitive edge in the industry over the years?" was sought and the following answer was recorded.

A narration from another source claim that"

" banking system is no longer sticking to traditional screening method of assessing candidate for the job but more emphasis was placed on how well employee fit into the organisation by gauging their willingness to learn, and their comfort level with change and adaptation to the current shifting nature of the work itself… this is quite more challenging especially when looking at the cost implications, and time in the banking industry".

Further revelation from one of the manager was that

"Attracting talent is a huge investment of time and money. It's difficult for the banking industry to balance between keeping a business running, and hiring the right people at the right time…, also impossible to know whether a candidate will actually be a good fit until they've worked for you for a period"

b) Leadership Development Problem

Historically, the banking industry has shown a more cautious approach towards remote employment. However, this is being altered due to the COVID-19 pandemic in 2020. The epidemic is not the only factor that has weakened the financial industry's resilience to SHRM. The inquiry addresses the methods and instruments bank workers use to establish and sustain connections with clients, distinct from those employed by the HR department.

One of the manager interviewed submitted that:

"*One challenge to build customer relationship is how difficult it is for the industry to develop strategic fit to create this new approach to overcome the leadership development problem".*

A claim was further added that;

"*Employees' skill development in meeting client satisfaction is more important than the quantity of work they produce. Due to the high demand in the market for top talent, banks are under pressure to invest in strategic HR. The belief is that if employees are well-cared for, customers will also be well-cared for. However, leading roles are expensive and time-consuming because of the strategies, structure, and internal processes that come with them, and banks struggle to keep up with these changes."*

c) Challenges of Connecting Virtually with new technologies and ideas

One manager opined that;

"Many banking sector workers are afraid they may lose their jobs as a result of the industry's drive towards automation and the widespread fear that unstable markets would cause them to lose their jobs."

Further in one of the revelation from a manager was that;

"although the operational performance of the banks was slow down a bit while going remotely due to security challenges, technical constraints and infrastructural deficiency since last two years but the rate of remote work has jumped and continues".

d) Employee Feeling the Strain

A manager submitted that;

"Throughout the last two years, I have worked as a strategic manager in my division, and one of the biggest challenges we have faced is helping banks combine their business plans with modern HRM in the face of economic instability and the enormous size of remote labour caused by the epidemic."

Further narration from another manager was that;

"higher demands of customers in the banking industry and arduous workloads have cause psychological well-being among employee to deteriorate over time, which eventually affect employees' strategic fit to the bank's HR system".

e) Change in working environment/Organizational Culture

However, Deloitte (2020) opined that employees in financial industries struggling and hurting in blending their vision and mission strategically with HRM, so the value of employer support is powerful.

A manager revealed that;

" there is a time for a change in the way employees are doing things in the bank particularly during a pandemic period where most banks devise other means to reach the clients in terms of withdrawal and deposits transactions – he further by saying… retraining and orientations process delayed many activities and practically affect all HR department in the bank.

Discussion of Findings

Hypothesis one shows that all dimensions of SHRM challenges, except adapting to

financial innovation (β=0.051; p=0.531>0.005), passed their significance test at 5% levels with respect to the service quality operational performance of First Bank Plc. This result corroborates the findings of Som (2008), who found that the synergy between innovative HRM practices was not significant in enhancing performance, especially during the liberalisation process. Similarly, the study found that there will be an improvement on organisational performance if challenge affecting SHRM is removed from the model (i.e.
CBL=SMC=LDEV=AFI=RTE=CMS=0);
the vector error correction (intercepts) indicated by the constant of regression in the econometric model in table 4.5.2, implied future improvement of 19.4% in service quality of the bank (c=0.194), improvement of 38.5% increase in customer satisfaction (c=0.385) as well as improvement in employee task performance by 67.7% (c=0,677). These findings aligned with Popoola (2019) and Muogbo (2013) that the majority of SMEs failed to embrace SHRM in its totality because of the challenges surrounding its adoption and the fact that most firms are relatively small to adopt SHRM in Nigeria. Therefore, the null hypothesis is rejected, and the alternate hypothesis is accepted by posited that challenges affecting SHRM practices significantly impact the organisational performance at a 5% level.

5.0 Conclusion and Recommendations

The study examined the position of SHRM practices in improving organisational performance in First Bank Plc Ilorin. Based on the findings of the study, it is concluded that there are enormous challenges to the total embrace of SHRM, and that adjustments made on these challenges, if not removed, might change the organisational culture, employee's strain, virtual connection/new technologies idea, leadership development and talent retention which collectively improved organisational performance. In addition, decision-wise on cost-effective HR training like onboarding, increased service quality, and operational performance of the bank. More so, it is concluded that a holistic planning approach towards talent retention, innovation, reward, career development and the degree to which jobs are rightly or narrowly defined is a strategic fit to improve employee task performance. Based on the findings made in the course of this study, the

following recommendations are hereby suggested:

(i) Specific HRM variables that are less challenging and consistent with the organisation's behavioural objectives should be integrated with business strategies to pave the way for sustainable performance in Nigeria's banking industry.

(ii) Human resource training programs should be reviewed periodically to meet current skills requirements and continue to be part of orientation programmes for new employees so they know how to obtain needed resources/tools to do their job, making them understand the rudiments of the work process for improved performance.

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