

Strategic Human Resource Management and Organizational Performance in Nigeria

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Article History	Abstract
Original Research Article	<p><i>The paper examines the effect of strategic human resource management and organizational performance in Nigeria. Specifically the paper sought to; examine the effect of human resource planning on organizational performance in Nigeria and determine the effect of training and development on organizational performance in Nigeria. Secondary information sources including newspapers, internet materials, and magazines were consulted in guiding the study. The findings indicate that effective human resource planning significantly contributes to organizational performance by ensuring that the right people with the necessary skills are available to achieve organizational goals. Similarly, training and development were found to have a positive effect on performance, enhancing employees' skills, knowledge, and productivity, which in turn improves overall organizational outcomes. However, both human resource planning and training and development are critical components of SHRM that drive organizational effectiveness in Nigeria. The paper recommends among others that; Organizations in Nigeria should adopt structured HR planning processes that accurately forecast workforce needs, identify skill gaps, and align personnel requirements with long-term organizational goals. This will enhance performance by ensuring that the right talent is available at the right time.</i></p> <p>Keywords: Strategic Human Resource Management, Human Resource Planning, Training and Development and Organizational performance.</p>
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1.1 Introduction

Global organisations are more and more recognising the importance of personnel as strategic assets that, if well managed, may provide competitive advantage. This has resulted in the development of Strategic Human Resource Management (SHRM) which is the alignment of human resource practices with an organisation's long term strategic goals (Wright and McMahan, 2011). Unlike traditional HRM, which is focused on administrative personnel duties, SHRM is concerned with the strategic alignment of recruiting, training, performance management and remuneration to organisational goals (Boxall and Purcell, 2016).

The United States is often considered the birthplace of modern SHRM practices. American organizations emphasize performance-driven HR systems, HR analytics, and high-performance work systems (HPWS) linking HR with corporate strategy (Delery and Roumpi, 2017). The

U.S. SHRM model prioritizes individual performance, merit-based promotion, and measurable HR outcomes. Studies show a strong positive relationship between SHRM and firm performance in the U.S. (Huselid, 1995; Becker and Huselid, 1998).

Australia tends to adopt a collaborative and employee-participatory approach to SHRM. Australian organizations place substantial emphasis on work-life balance, employee empowerment, and strategic workforce planning (De Cieri and Kramar, 2019). Government regulations also strongly influence HR practices, encouraging equity, diversity, and safety. Research in Australia suggests that SHRM enhances organizational learning and innovation (Zheng, O'Neill, and Morrison, 2019).

SHRM in Asia reflects diverse cultural and economic structures. In countries like Japan, China, and South Korea,

SHRM tends to emphasize collectivism, long-term employment, team-based performance, and continuous improvement (Rowley and Warner, 2013). Many Asian firms integrate SHRM with cultural values such as loyalty, harmony, and internal skill development. Studies show that SHRM significantly boosts manufacturing performance and technological innovation in Asian firms (Cooke, 2018).

In Africa, SHRM adoption varies widely due to differences in economic development, institutional structures, and cultural dynamics. African organizations often face challenges such as inadequate skill supply, low technological adoption, and inconsistent HR policies (Kamoche, Horwitz, and Muuka, 2015). Nonetheless, SHRM in Africa is increasingly recognized as essential for improving productivity, especially in South Africa, Kenya, Egypt, and Ghana. Research highlights that SHRM contributes positively to organizational performance but is limited by institutional constraints (Horwitz, 2017).

In Nigeria, SHRM is gaining prominence, particularly in large organizations within the banking, telecommunications, oil and gas, and public sectors. Nigerian firms increasingly adopt strategic recruitment, performance-based compensation, employee training, and HR planning to improve competitiveness (Uko, 2018). However, challenges such as limited HR analytics use, insufficient training investment, poor succession planning, and cultural resistance persist (Adebayo and Ogunsina, 2019).

Studies consistently report that Nigerian organizations using well-developed SHRM systems achieve higher organizational performance, better employee productivity, and improved service delivery (Ogueyungbo and Akinyemi, 2021). In the Nigerian context, organizations operate in an environment characterized by rapid technological changes, globalization, workforce diversity, economic fluctuations, and institutional challenges such as poor infrastructure and inconsistent policy frameworks (Adebayo and Ogunsina, 2019). These complexities have intensified the need for SHRM as a driver of organizational productivity, innovation, and sustainable performance.

Empirical studies have shown that SHRM practices positively influence employee commitment, operational efficiency, and firm performance in Nigeria's banking, manufacturing, oil and gas, and public sectors (Uko, 2018; Ogueyungbo and Akinyemi, 2021). However, many Nigerian organizations still struggle with inadequate HR strategy implementation, skill shortages, low employee engagement, and weak alignment between HR practices and corporate strategy. This creates a research gap concerning the extent to which SHRM contributes to organizational performance within the Nigerian business environment.

1.2 Statement of Problem

Human resource management in Nigeria has historically been dominated by administrative routines such as record-keeping, payroll processing, and compliance functions. However, global economic pressures, increased competition, technological change, and workforce diversity require Nigerian organizations to adopt strategic HR practices that align the workforce with corporate objectives. Despite the recognized importance of SHRM, many Nigerian organizations continue to experience low productivity, poor service delivery, skill shortages, weak employee engagement, and inconsistent performance outcomes (Adebayo and Ogunsina, 2019; Uko, 2018).

Furthermore, while research acknowledges that SHRM enhances organizational performance, implementation in Nigeria is often constrained by limited managerial capacity, weak HR analytics, inadequate training investment, poor succession planning, and institutional bottlenecks. As a result, the contribution of SHRM to performance remains suboptimal, creating uncertainty about its actual strategic value within Nigerian organizations. This persistent misalignment between HR practices and corporate strategy represents a critical problem that needs systematic investigation.

Integrate HR strategy with corporate strategy, ensuring all HR practices support long-term business goals and utilize data-driven HR analytics to make decisions on recruitment, training, performance management, and workforce planning. The reality in many Nigerian organizations deviates significantly from the ideal situation due to several persistent challenges: weak alignment between HR strategy and business strategy HR decisions are often reactive rather than strategic (Uko, 2018). Low investment in training and development, resulting in skill gaps and insufficient employee competencies and Limited use of HR analytics because of inadequate technological infrastructure and managerial expertise.

Several attempts have been made by both organizations and policymakers to improve the adoption of SHRM in Nigeria: capacity-building programs for managers and HR professionals through workshops, certification courses, and professional bodies such as CIPM (Chartered Institute of Personnel Management). Reform of HR systems in the public sector through initiatives promoting transparency, performance-based appraisals, and digitization. Despite an increasing body of literature on SHRM in Nigeria, several research gaps persist: Lack of empirical clarity on the specific SHRM practices that most strongly influence performance in different sectors (e.g., public sector vs. private sector). Limited studies using HR analytics or longitudinal data, which are essential for establishing causal relationships between SHRM and performance. The

paper sought to examine the effect of strategic human resource management and organizational performance in Nigeria.

1.3 Objective of the study

The main objective of the paper was to examine the effect of strategic human resource management and organizational performance in Nigeria. Specifically, the sought to;

1. Examine the effect of human resource planning on organizational performance in Nigeria,
2. Determine the effect of training and development on organizational performance in Nigeria.

1.4 Methodology

Secondary information sources including newspapers, internet materials, and magazines were consulted in guiding the study.

2.0 LITERATURE REVIEW

This section is organized under the following sub-headings: theoretical framework, conceptual framework, empirical review, and summary of related literature.

2.1 Theoretical Framework

The study made use of Resource-Based Theory (RBT) and agency theory as relevant theories to the study. However, the study was anchored on the resource based theory.

2.1.1 Resource-Based Theory (RBT)

The Resource-Based Theory (RBT) was introduced by Birger Wernerfelt in 1984 and developed by Jay Barney in 1991. According to the Resource-Based Theory, the competitive advantage and performance of an organization is defined by its internal resources and not by external environmental factors. The theory suggests that organisations have a lasting competitive advantage if they own resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991).

These resources may include physical assets, technology, organizational processes, human capital, brand reputation, and managerial capabilities. For SHRM, RBT means that employees and their skills are strategic assets capable of improving long-term organizational performance. Resource-Based Theory is based on the assumption of Resource heterogeneity assumes that firms possess different bundles of resources, and these differences are foundational to explaining variations in performance across firms. According to Barney (1991), firms are not identical; they own and control distinct sets of assets tangible, intangible, and human resources that form the basis for competitive advantage. These variations shape the strategic choices available to each firm and influence their ability to

generate superior returns. Peteraf (1993) further argues that such heterogeneity is essential because if all firms had identical resources, none could achieve a performance advantage over others.

Resource immobility assumes that some resources are difficult to transfer or replicate across firms. This means valuable resources such as organizational culture, brand reputation, or complex employee routines remain “sticky” within the firm and cannot be easily acquired or purchased by competitors. Barney (1991) states that the immobility of strategic resources helps sustain competitive advantage over time, because rivals cannot simply imitate or buy these assets. Peteraf (1993) reinforces that imperfect mobility restricts competitive dynamics, allowing firms with unique, immobile resources to maintain superior positions.

The theory assumes that managers have the capability to identify, develop, and effectively deploy resources to achieve strategic objectives. This assumption is crucial because possession of resources alone does not automatically generate advantage; what matters is the managerial skill in combining and leveraging them (Barney, 1991). Grant (1996) supports this view by arguing that managerial insight, learning, and coordination capabilities determine how well resources are integrated into value-creating strategies. Therefore, the effectiveness of managerial decisions influences how resources translate into competitive outcomes.

RBT assumes that internal firm resources, rather than external industry factors, are the primary drivers of competitive advantage. This marks a shift from the traditional industrial organization (IO) perspective, which emphasizes industry structure, as exemplified by Porter’s Five Forces model. Barney (1991) argues that focusing on firm-specific resources such as capabilities, knowledge systems, and competencies provides a more accurate explanation of why some firms outperform others within the same industry. Wernerfelt (1984) earlier emphasized that analyzing a firm from the standpoint of its resource position offers insights that cannot be derived solely from environmental or industry analysis.

One major limitation of RBT is the broad and often ambiguous definition of what constitutes a resource. Priem and Butler (2001) argue that the term “resource” is so inclusive encompassing assets, capabilities, knowledge, culture, and processes that it becomes difficult to operationalize in empirical research. This vagueness limits the precision of the theory, making it challenging for scholars and practitioners to determine which specific resources contribute to competitive advantage. The lack of definitional clarity also complicates comparisons across studies and industries, reducing the explanatory power of the theory.

The theory posits that valuable, rare, inimitable, and non-substitutable (VRIN) resources lead to sustained competitive advantage. However, evaluating whether a resource truly meets VRIN criteria is highly subjective. Barney (1991) defines these attributes conceptually but offers limited guidance on measurement, making empirical testing difficult. Peteraf and Barney (2003) note that determining rarity or inimitability often requires retrospective analysis firms are labeled as having VRIN resources only after they succeed, leading to concerns about circular reasoning. This challenge undermines the predictive value of the theory.

RBT has been criticized for being too static, focusing on existing resource endowments while ignoring how resources evolve. Teece, Pisano, and Shuen (1997) argue that RBT does not adequately explain how firms adapt, innovate, or renew their resource base in dynamic environments. Eisenhardt and Martin (2000) add that in rapidly changing industries such as technology or digital markets competitive advantage depends on dynamic capabilities, not just static resources. Thus, the RBV is seen as insufficient for understanding competition where constant change is the norm.

RBT provides a framework for firms to identify, evaluate, and invest in internal resources that can generate sustainable competitive advantage. By focusing on the unique strengths of a firm, managers can prioritize resource allocation toward areas that offer the greatest potential for differentiation. This inward-looking approach complements traditional industry-focused strategies and supports long-term planning (Barney, 1991; Wernerfelt, 1984). Firms are encouraged to analyze which resources are VRIN (valuable, rare, inimitable, non-substitutable) and to leverage them in crafting their strategic objectives.

In contemporary markets, where technology and innovation are central, RBT is valuable for analyzing technological resources and capabilities. Intangible assets such as patents, proprietary algorithms, brand equity, and data analytics systems are increasingly recognized as sources of competitive advantage. Firms like Google, Apple, and Tesla demonstrate that the ownership and effective use of such VRIN resources are critical for sustaining technological leadership (Grant, 1996; Teece, 2007). RBT allows firms to systematically evaluate which technological resources can be leveraged for superior performance.

2.1.2 Agency theory

The agency theory was founded by Michael C. Jensen and William H. Meckling in 1976. Agency Theory explains the relationship between principals (owners/shareholders) and agents (managers/employees). The central premise is that agents may pursue their own interests rather than the goals

of principals, leading to agency problems such as moral hazard and opportunism. Agency Theory assumes that agents (managers or employees) are inherently self-interested, and their goals may not automatically align with those of the principals (owners or shareholders). This assumption highlights the potential for agency problems, such as shirking responsibilities, misusing resources, or pursuing personal gain at the expense of organizational objectives (Jensen and Meckling, 1976). In SHRM, this assumption underpins the design of performance-based HR practices such as incentive pay, promotions, and bonuses, which aim to align employee behavior with organizational goals (Eisenhardt, 1989).

A key assumption is that principals cannot fully observe or monitor agents' actions, creating an imbalance of information. This "information asymmetry" allows agents to pursue personal interests without immediate detection (Ross, 1973). In the context of SHRM, information asymmetry justifies the implementation of monitoring systems, performance evaluations, and reporting mechanisms to ensure employees act in the firm's best interest. For Nigerian organizations, this is particularly relevant where managerial oversight may be limited due to organizational size, geographic dispersion, or resource constraints.

Agency Theory assumes that organizations can design contracts and incentive schemes to motivate agents toward desired behaviors. These contracts may include explicit performance targets, financial rewards, or profit-sharing arrangements (Jensen and Meckling, 1976). In SHRM, this translates to formalized HR practices such as merit-based pay, goal-based bonuses, and promotion criteria that link employee outcomes directly to organizational performance. In the Nigerian context, contractibility helps mitigate opportunistic behaviors and ensures alignment of managerial actions with corporate strategy.

Both principals and agents are assumed to be rational actors who seek to maximize their utility. This means principals design incentive and monitoring systems strategically, while agents respond to these incentives in predictable ways to achieve personal benefit (Eisenhardt, 1989). For SHRM, this assumption underscores the importance of strategically structured rewards and career progression paths, which encourage employees to act in ways that enhance organizational performance. In Nigeria, rationality may also be influenced by socio-cultural and economic factors, requiring careful tailoring of HR policies.

The assumptions of self-interest, information asymmetry, contractibility, and rationality form the foundation of Agency Theory. They justify SHRM practices that align employee actions with organizational objectives, such as performance-based incentives, monitoring systems, and

formal contracts. In the Nigerian context, these assumptions are particularly relevant for designing HR policies that improve efficiency, reduce opportunism, and enhance overall organizational performance.

Agency Theory is highly relevant to SHRM and organizational performance because it provides a framework for aligning employee behavior with organizational goals, particularly in contexts where monitoring and incentives are critical. Its applications are practical, especially in countries like Nigeria where organizations face challenges of managerial opportunism, low employee engagement, and limited oversight. Agency Theory emphasizes that agents (managers/employees) may pursue self-interest, which can conflict with the objectives of principals (owners/shareholders). SHRM practices such as performance appraisals, merit-based pay, promotions, and bonuses are designed to align employee behavior with organizational goals (Jensen and Meckling, 1976; Eisenhardt, 1989). By linking rewards to performance,

employees are motivated to contribute to productivity, efficiency, and profitability, improving overall organizational performance.

2.2 Conceptual framework

Strategic Human Resource Management (SHRM) is concerned with the linking of human resource policies, practices and skills to organisational strategy to improve performance outcomes. The theoretical linkage between SHRM and organisational success is founded on the idea that human capital is a significant source of competitive advantage. SHRM stresses that HR policies should not be developed in isolation but should be connected with the organization's goals. When HR procedures like as recruiting, training, performance management and remuneration are aligned with strategic objectives, employees are more likely to focus their energies on activities that create value and improve productivity (Schuler and Jackson, 1987; Wright and McMahan, 1992).

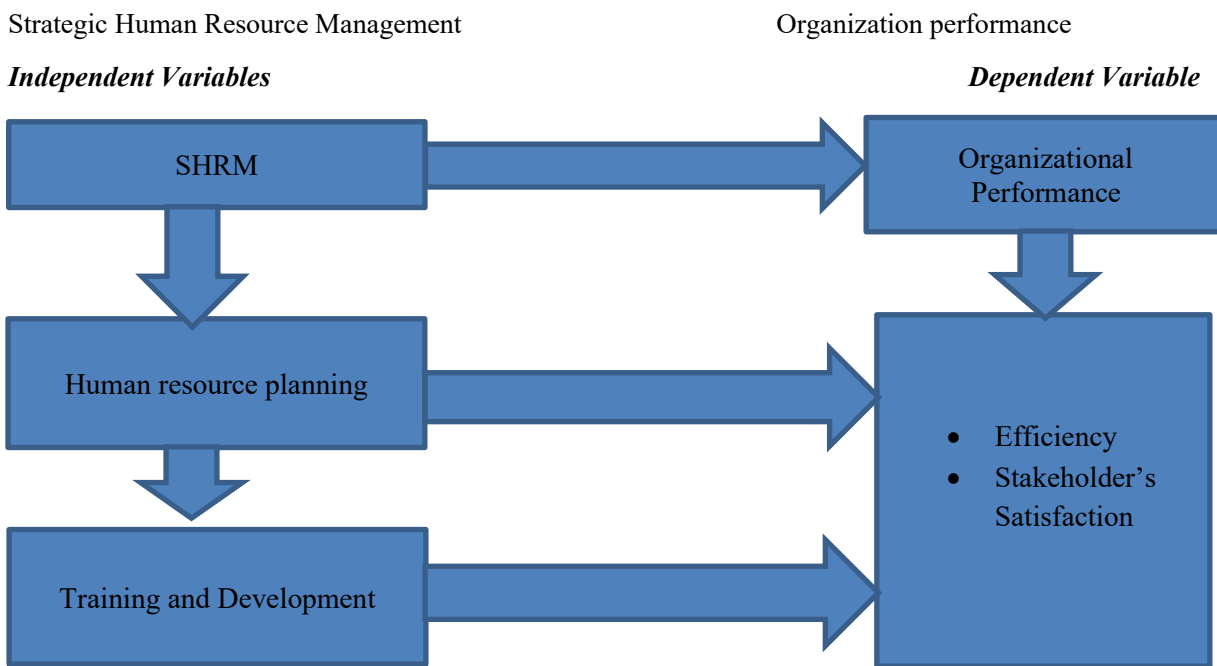


Figure.1 Conceptual Framework

Source: Author's compilation (2025).

2.2.1 Concept of Strategic human resource management

Strategic Human Resource Management (SHRM) is a strategic way of managing people in organisations to connect HR policies and practices with the overall organisational objectives to improve performance. Typical Human Resource Management (HRM) focuses on the administrative aspects of managing people such as payroll, recruitment and employee relations, while Strategic HRM (SHRM) aims at aligning human resource practices with the

strategic goals of the firm and its long-term competitiveness (Schuler and Jackson, 1987; Wright and McMahan, 1992).

Schuler and Jackson (1987) define SHRM as: the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals." This definition emphasizes the planned and strategic nature of HR practices, highlighting that HR is not merely operational but is integral to achieving organizational objectives. Wright and McMahan (1992) define SHRM as: "The means by which organizations generate value through

people by integrating HRM strategies with the organization's overall strategic plan." This definition focuses on the value-creation aspect of human capital and the need for alignment between HR strategies and business strategy to achieve superior performance. Boxall and Purcell (2003) describe SHRM as: "The development of a coherent approach to employment and HR that is intended to support business strategies and enhance organizational performance." Here, the emphasis is on coherence and integration ensuring that HR policies are not standalone but support broader strategic objectives.

Strategic Human Resource Management (SHRM) is the management of the workforce of an organization through HR policies and practices that are aligned with the firm's overall strategic objectives for improving performance. Unlike traditional Human Resource Management (HRM) which is concerned with administrative functions such as payroll, recruitment and employee relations, SHRM stresses on aligning HR practices with the organization's long-term goals and competitive strategy (Schuler and Jackson, 1987; Wright and McMahan, 1992).

2.2.2 Dimensions of SHRM

Strategic Human Resource Management (SHRM) is a multi-dimensional concept that integrates human resource practices with organizational strategy. Scholars have proposed various dimensions to describe how SHRM functions in enhancing organizational performance. The dimensions generally focus on strategic integration, HRM practices, organizational outcomes, and environmental adaptation according to Schuler and Jackson, (1987).

1. Human Resource Planning

Human Resource Planning (HRP) is a systematic process through which organizations forecast their future human resource needs and ensure that the right number and type of employees are available to meet organizational objectives. HRP aligns workforce planning with strategic goals, ensuring that skills, competencies, and employee availability match the organization's short-term and long-term needs (Armstrong, 2020; Dessler, 2019).

Armstrong (2020) defines HRP as the process by which an organization ensures that it has the right people, in the right place, at the right time, capable of effectively and efficiently achieving organizational objectives. This definition emphasizes alignment with organizational goals, efficiency, and timely availability of human resources.

Dessler (2019) defines HRP as a systematic effort to forecast an organization's future demand for and supply of employees and to develop strategies to ensure that the right number of employees with the right skills are available when needed. This definition highlights forecasting,

planning, and strategic alignment of workforce supply and demand. Mondy and Martocchio (2016) describe HRP as the process of analyzing and identifying the need for and availability of human resources so that the organization can meet its objectives."

This focuses on analyzing organizational needs and developing strategies to fill gaps, ensuring human resources are available to achieve strategic goals.

2. Training and Development

Training and development is a critical dimension of Strategic Human Resource Management, as it aligns employee skills with organizational goals, enhances performance, and ensures sustainable competitive advantage (Armstrong and Taylor, 2020). Training and development is a crucial aspect of SHRM because it equips employees with the necessary skills to meet organizational objectives and supports long-term strategic goals (Armstrong and Taylor, 2020). Training and development is considered a key dimension of Strategic Human Resource Management because it aligns employee capabilities with organizational goals and supports long-term competitiveness (Armstrong and Taylor, 2020).

2.2.3 Organizational Performance

Organizational performance refers to the ability of a company to achieve its goals efficiently and effectively, encompassing financial outcomes, operational efficiency, and stakeholder satisfaction (Richard, Devinney, Yip, and Johnson, 2019). Organizational performance is defined as an organization's capacity to meet its objectives through effective and efficient use of resources, including financial, operational, and human factors (Richard *et al.*, 2019).

Organizational performance refers to how well a company attains its goals by utilizing resources efficiently and effectively. It includes aspects such as financial results, operational productivity, and the satisfaction of stakeholders. In essence, it represents an organization's ability to achieve its objectives through the optimal management of financial, operational, and human resources (Richard *et al.*, 2019).

2.2.4 Measures of organizational performance

Richard, Devinney, Yip, and Johnson (2019) describe organizational performance as encompassing financial outcomes, operational efficiency, Effectiveness and stakeholder satisfaction.

1. Efficiency

According to Richard, Devinney, Yip, and Johnson (2019), operational efficiency is a key component of organizational performance. Operational efficiency is considered a critical measure of organizational performance (Richard,

Devinney, Yip, and Johnson, 2019). Richard, Devinney, Yip, and Johnson (2019) identify operational efficiency as an essential aspect of organizational performance. It is viewed as a significant indicator for evaluating how well an organization performs (Richard *et al.*, 2019).

Efficiency refers to the ability to accomplish a task or produce an outcome with minimal waste of resources, time, or effort (Robbins and Coulter, 2018). The concept of efficiency is commonly defined as achieving desired results while using resources in the most economical way possible (Daft, 2016). Efficiency is the extent to which an organization or individual uses resources optimally to achieve objectives, minimizing waste and maximizing productivity (Robbins and Coulter, 2018; Daft, 2016).

2. Stakeholder's Satisfaction

The concept of stakeholder satisfaction refers to the degree to which an organization meets or exceeds the expectations, needs, and interests of its stakeholders, including customers, employees, suppliers, investors, and the community. It reflects how well the organization balances these diverse interests while achieving its objectives (Freeman, 1984; Carroll and Buchholtz, 2014). Freeman (1984) defines stakeholder satisfaction as the organization's ability to address the needs and expectations of all parties that have a stake in its operations. Stakeholder satisfaction reflects how effectively an organization meets the expectations of its various stakeholders (Freeman, 1984; Carroll and Buchholtz, 2014).

Stakeholder satisfaction is the degree to which a business meets the expectations, demands, and interests of its stakeholders, including employees, customers, investors, and the community (Freeman, 1984; Carroll and Buchholtz, 2014). The idea of stakeholder satisfaction is the degree to which a company fulfils or surpasses the requests and expectations of its many stakeholders (Freeman, 1984; Carroll and Buchholtz, 2014).

2.2.5 Nexus between strategic human resource management and organizational performance

According to Boxall and Purcell (2016), Strategic Human Resource Management (SHRM) plays a critical role in enhancing organizational performance by aligning human resource practices with the organization's strategic goals. Similarly, Wright and McMahan (2011) argue that effective SHRM contributes to improved financial outcomes, operational efficiency, and overall organizational effectiveness. The relationship between Strategic Human Resource Management and organizational performance is well-established, with SHRM practices linked to improved financial results, operational efficiency, and overall effectiveness (Boxall and Purcell, 2016; Wright and McMahan, 2011).

Boxall and Purcell (2016) highlight that the linkages between Strategic Human Resource Management and organizational performance arise when HR practices are aligned with organizational goals, enhancing efficiency, innovation, and overall effectiveness. Similarly, Wright and McMahan (2011) emphasize that SHRM directly influences performance outcomes through effective management of human capital. The linkages between Strategic Human Resource Management and organizational performance are evident, as aligning HR strategies with organizational objectives can improve efficiency, innovation, and overall effectiveness (Boxall and Purcell, 2016; Wright and McMahan, 2011).

2.3 Review of Related Empirical Studies

This section examines relevant empirical studies on strategic management, organizational performance, and the factors that affect their relationship, with particular attention to studies conducted within the Nigerian and comparable environments.

Onyekwelu and Njideka (2020) studied the effect of strategic management on organisational performance: the case of selected manufacturing enterprises in South East Nigeria. The study is based on classical theory and resource-based thinking. The population was 1,200 employees and a sample of 300 employees was picked by Taro Yamane methodology. The data were subjected to multiple regression analysis. The findings demonstrated that all the strategic management procedures; strategy objectives, development, implementation and evaluation had substantial influence on the organisational performance of the manufacturing firms evaluated. The study found that strategic management has significant impact on organisational performance in South East Nigeria. Therefore, it was proposed that strategic objectives should be aligned with the aims of the organization to improve performance and organisations should involve lower level managers and supervisors in the design of strategy so that plans will be successful and consistent with short and long term objectives. The study examined the impact of strategic management on organisational performance in selected manufacturing enterprises in South East Nigeria. The study considered broad strategic activities such as strategy objectives, formulation, execution and evaluation . However, the moderating or mediating effects of certain human resource practices, organisational culture or external environmental factors on the relationship between strategic management and organisational performance were not examined.

Akeen and Idowu (2024) examined Human Resource Management (HRM) has become a critical driver of organizational success in Nigeria, especially in the 21st century. This study provides a thorough review of the

current state of HRM in the country, emphasizing key challenges, emerging trends, and potential strategies to address these issues. It examines major HRM concerns, including talent shortages, workforce diversity, employee engagement, compliance with labor regulations, and mental health issues. The study also explores the influence of digital transformation, remote work, and the increasing focus on employee experience on HR practices. Drawing from empirical research, case studies, and strategic insights, the paper suggests solutions such as skill development, adoption of HR technology, and promoting inclusivity and mental well-being in the workplace. In a rapidly changing global and local business environment, understanding these trends and challenges is vital for Nigerian organizations to remain competitive. The study concludes by emphasizing HRM's role in enhancing productivity and employee satisfaction, which are crucial for Nigeria's socio-economic growth. Although existing studies highlight the importance of HRM in driving organizational success in Nigeria and discuss challenges such as talent shortages, workforce diversity, employee engagement, compliance, and mental health, there is limited empirical research examining how these challenges interact with emerging trends like digital transformation, remote work, and employee experience to influence organizational performance.

Olamide, O. S. (2015). Strategic human resource management and organisational performance in the Nigerian manufacturing sector: An empirical study. There is a huge body of research on Strategic Human Resource Management (SHRM) yet there is still a disagreement as to whether it is really performed or is just theoretical. This study was designed to contribute to the existing literature on the level of SHRM implementation in the Nigerian manufacturing industry and its impact on organisational performance. A multi-respondent survey was undertaken at 21 manufacturing firms in Nigeria and the data obtained were analysed using correlation, regression and descriptive statistics to ascertain the relationship between SHRM practices and organisational performance. The results reveal that SHRM is moderately practiced in these firms. The key strategic HR practices identified to influence organisational performance are: involvement of line management, innovative recruitment and selection processes, regular training and development, equity based compensation, performance appraisal systems, effective career planning and employee participation in organisational decisions. The report recommends that Nigerian manufacturing enterprises should give greater attention to these practices to improve their execution and the overall performance of the organization. Previous studies have shown that the level of adoption of Strategic Human Resource Management (SHRM) in the Nigerian manufacturing industry is moderate and have identified

some HR practices that impact organisational performance. However, there is limited research on the barriers to the full implementation of SHRM and the contextual factors that may enhance or constrain its effectiveness.

Oluwaseyi (2023) investigated the effect of HRM practices on the performance of selected tertiary institutions in Southwest Nigeria, with a focus on recruitment, training, performance appraisal, and motivation strategies. Employing a mixed-method approach, the research combined quantitative surveys with qualitative interviews among academic and administrative staff to evaluate HRM's contribution to institutional success. The findings revealed significant relationships between HRM practices and organizational performance: recruitment processes were associated with better job fit ($p < 0.05$), training programs enhanced skill development and productivity ($p = 0.03$), performance appraisal systems increased staff accountability and motivation ($p = 0.04$), and employee motivation strategies improved retention and job satisfaction ($p < 0.05$). The study also identified challenges such as inadequate funding and bureaucratic inefficiencies, which hinder effective HRM implementation and contribute to staff dissatisfaction and turnover. Institutions with comprehensive HRM frameworks, however, demonstrated higher operational efficiency, stronger staff engagement, and improved educational outcomes. The study concludes that integrating strategic HRM fosters a positive work environment, enhances institutional effectiveness, and supports sustainable development in higher education. Addressing resource limitations and administrative barriers is crucial for optimizing HR practices and achieving excellence in tertiary institutions. While existing research demonstrates the positive impact of HRM practices such as recruitment, training, performance appraisal, and motivation on organizational performance in tertiary institutions in Southwest Nigeria, there is limited investigation into how contextual factors, such as organizational culture, leadership styles, and policy environments, influence the effectiveness of these HRM practices.

Mgbemena et al (2022) examined the effect of strategic management on organisational performance of selected industrial enterprises in Anambra State, Nigeria. The main purpose is to identify the impact of strategic management on the performance of these companies. The research is founded on resource-based theory. The topic and hypotheses of the study were reviewed under the relevant literature. The population was 1,200 employees from which a sample of 300 was drawn using Taro Yamane's technique. Descriptive statistics and multiple regression analysis were used to analyse the data. The results revealed strategic objectives have a significant effect on the

performance of the organization, strategy formulation has a positive effect, strategy implementation has a significant effect on performance and strategic evaluation has a significant effect on the performance of the organization in these manufacturing firms. Based on the findings, this study proposes that strategic objectives should be matched with organisational goals to improve overall performance and staff effectiveness. It also promotes the involvement of junior managers and supervisors in the development of strategy to ensure that plans are realistic and consistent with short and long term goals. In addition, organisations should have a clear strategic vision and communicate it to all personnel. Finally, strategic evaluation should be completed annually and seen as a continuous process rather than a periodic activity to set benchmarks and track progress effectively. The research indicates that strategic management practices including strategy formulation, strategy implementation, strategic objectives, and strategic evaluation significantly influence the organisational performance of manufacturing firms in Anambra State, Nigeria. Yet, there is a lack of research examining the contextual and moderating factors that may influence these relationships, like organisational culture, leadership styles, or external environmental pressures.

Kuse, Wanyoike (2022) studied strategic human resource management methods and organisational performance of Information Services Department in Ghana. The performance of employees is crucial to obtaining maximum production, particularly in public institutions across the globe. Public organisations must effectively manage staff performance, build capacity and motivate employees to achieve their strategic objectives successfully. Previous research has linked strategic human resource management (SHRM) approaches to organisational performance. However, many studies have restricted or subjective nature in determining the precise impact of HRM strategies on organisational outcomes. The present study adopts a desk review to review the effect of SHRM practices on organisational performance to this end. The literature is not complete with respect to adequately describing the relationship between SHRM practices and organisational success. Different researchers and practitioners have used various methods to measure performance management dimensions, such as employee motivation. However, other important aspects, such as employee training and development, organisational culture, leadership and top management commitment, also influence the effectiveness of SHRM practices. Hence, the need to examine the relationship between SHRM practices and organisational performance. Public institution managers should effectively explain strategic HRM practices to workers, aligning them with individual and organisational objectives, and fully define roles and duties to avoid

ambiguity or conflict. Moreover, staff performance should be examined on a regular basis to verify that the organisational goals are being achieved, which would result in increased productivity. Previous literature indicates a relationship between strategic human resource management (SHRM) practices and organisational performance, but there is not much empirical evidence that provides a complete picture of how specific SHRM practices such as training and development, employee motivation and performance management, in combination with organisational culture, leadership, and top management commitment, affect performance in public institutions.

Ala (2016) examined the impact of strategic Human Resource Management (SHRM) on organizational performance. The primary goal of SHRM is to enhance organizational outcomes by effectively managing human resources. Organizations must efficiently utilize their workforce to achieve their objectives, which in turn leads to improved overall performance, including corporate and financial results. Accordingly, this study focuses on the strategies organizations use to manage their human resources and evaluates whether SHRM contributes to meeting business goals and objectives. The study aims to determine the effectiveness of HRM in organizations, assess the correlation between SHRM practices and organizational performance, examine the relationship between SHRM activities and performance outcomes, and explore the link between these practices and measurable organizational differences. Data were collected through questionnaires, books, seminars, and journals. The analysis revealed a positive relationship between SHRM practices such as recruitment, performance appraisal, and training and organizational performance. Findings also show a strong correlation between output per employee and SHRM, a link between profit per employee and SHRM, and a significant overall relationship between SHRM and organizational efficiency. Based on these findings, the study recommends: (1) fostering trust to enhance service delivery, (2) adopting a service-oriented approach to employee management to meet professional standards, and (3) integrating HRM as a core element of learning at all organizational levels. The study concludes that effective HRM is essential across all areas of an organization to ensure a skilled, motivated workforce that drives improved organizational performance. Few studies have systematically examined the long-term impact of SHRM practices on various performance metrics, such as financial outcomes, productivity, and employee retention, across different types of organizations. This highlights the need for further research to explore these dynamics and provide deeper, context-specific insights into how SHRM can be optimized to enhance organizational performance.

Ofori and Agu (2016) studied the influence of Human Resource Management Practices and Organisational Performance. It is a known truth that effective human capital is one of the best practice weapons for better business positioning in today's competitive market. Thus, the practice of human resource management is becoming increasingly the key emphasis in every organization. The focus of this paper, thus is to analyse the impact of human resource management methods on organisational performance with special reference to PZ Cussons Plc. Aba and Nigerian Breweries Plc. Ama, Enugu State. To attain this objective, the simple random sampling approach was utilised on a sample size of 146 with survey design. Descriptive and inferential statistics were applied in the analysis and testing of six hypotheses. The results of Spearman Rank Order Correlation Coefficient in SPSS version 20 reveals that human resource management (HRM) practices (planning, recruitment and selection, training and development, performance management, employee relations and compensation/incentives) are important correlates of organisational performance. The report suggests that organisations of all sizes and types should adopt effective HRM strategies to increase corporate performance and global competitiveness. This demands strategic emphasis by identifying rising trends created by technological development and smart competitiveness which influence modern HRM practices. Like other research, this one has focused on particular organisations. This leaves a gap in our knowledge about the extent to which HRM practices may be generalised across different industries, organisational sizes and areas in Nigeria. This implies a need for future study to investigate the generalisability and contextual factors of successful HRM on firm performance.

Samuel *et al* (2023) examined the impact of Human Resource Management (HRM) on the performance of Nestle Plc. It was noted that the critical role of human resources in organizational growth and development has been undermined, resulting in a diminished contribution to overall organizational performance. Ineffective management of HR administrative processes has weakened the organization's ability to meet service delivery expectations. The primary aim of the study was to evaluate the influence of HRM on Nestle Plc's performance. Primary data were collected using questionnaires, and regression analysis was applied to test the study's hypotheses. The results revealed that human resource development significantly affects employee effectiveness, operational efficiency, and the quality of service delivery. Based on these findings, the study recommends implementing regular employee training and development programs to ensure up-to-date skills and knowledge, as well as revising existing welfare packages to reflect current

economic conditions. The study focuses solely on a single organization, leaving a gap in understanding the generalizability of these findings across other firms, industries, and regional contexts in Nigeria. There is also a lack of exploration into the moderating or mediating factors, such as organizational culture, leadership, and technology adoption, that may influence the effectiveness of HRM practices on performance outcomes. The study focuses primarily on a cross-sectional quantitative approach, leaving a gap in understanding the longitudinal effects of SHRM practices over time. There is also a lack of investigation into contextual and moderating factors, such as organizational culture, leadership style, and industry-specific conditions, which may influence the effectiveness of SHRM in improving productivity, employee satisfaction, and financial performance.

Mba *et al* (2023) examined the impact of strategic management practices on the performance of hospitals in Nigeria. A total of 286 respondents from the University of Nigeria Teaching Hospital were surveyed using a structured questionnaire to collect quantitative data. Descriptive statistics were used to analyze the data, while regression analysis was employed to test the study's hypotheses. The results of the hypothesis tests revealed that strategy formulation, strategy implementation, and strategy evaluation all have significant positive effects on hospital performance. Based on these findings, the study concludes that hospital managers should actively engage in strategic planning and implementation to enhance organizational performance. Most studies, including this one, focus on single hospitals or limited samples, leaving a gap in understanding the generalizability of strategic management practices across different hospitals, regions, and healthcare settings in Nigeria. There is also a need for longitudinal studies to assess the long-term impact of strategic management practices on hospital performance over time.

2.4 Summary of Literature Review

Strategic Human Resource Management (SHRM) is widely recognized as a critical factor in enhancing organizational performance by aligning human capital with the strategic goals of an organization. In Nigeria, numerous studies have explored this relationship across various sectors, including manufacturing, public institutions, and healthcare. Research has consistently shown that SHRM practices such as recruitment and selection, training and development, performance appraisal, employee motivation, and strategic alignment positively influence organizational outcomes, including productivity, employee satisfaction, operational efficiency, and financial performance. For instance, studies in manufacturing firms indicate that effective SHRM practices improve employee performance and contribute to organizational competitiveness. In the tertiary education

sector, research demonstrates that strategic HR practices boost staff engagement, skill development, and institutional efficiency. Similarly, in healthcare, hospitals that implement strategic management and HRM practices report enhanced service delivery and operational outcomes. Empirical studies employing quantitative methodologies, including regression and correlation analyses, often confirm significant positive correlations between SHRM practices and organizational performance metrics. Despite these findings, literature also highlights challenges in Nigeria, such as inadequate implementation of HRM practices, bureaucratic inefficiencies, lack of alignment with organizational goals, and limited involvement of lower-level managers in strategic HR planning.

Most studies focus on a single sector or organization, making it unclear how SHRM practices perform across different industries, organizational sizes, and regions in Nigeria. Few studies examine how factors like organizational culture, leadership style, technology adoption, and employee engagement may moderate or mediate the relationship between SHRM and organizational performance

3.1 Conclusion

This study examined the effect of Strategic Human Resource Management (SHRM) on organizational performance in Nigeria, with particular focus on human resource planning and training and development on organizational performance in Nigeria. The findings indicate that effective human resource planning significantly contributes to organizational performance by ensuring that the right people with the necessary skills are available to achieve organizational goals. Similarly, training and development were found to have a positive impact on performance, enhancing employees' skills, knowledge, and productivity, which in turn improves overall organizational outcomes. However, both human resource planning and training and development are critical components of SHRM that drive organizational effectiveness in Nigeria. Organizations that strategically implement these HR practices are better positioned to achieve their objectives, improve operational efficiency, and maintain a competitive edge in their respective sectors. Therefore, Nigerian organizations should prioritize strategic HR initiatives to foster a skilled, motivated, and high-performing workforce that contributes to sustained organizational success.

3.2 Recommendations

Based on the papers findings the following recommendations are made;

1. Organizations in Nigeria should adopt structured HR planning processes that accurately forecast

workforce needs, identify skill gaps, and align personnel requirements with long-term organizational goals. This will enhance performance by ensuring that the right talent is available at the right time.

2. Nigerian organizations should adopt ongoing training initiatives rather than occasional programs. Continuous learning improves employee competencies, boosts productivity, and strengthens organizational performance.

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