

Statistical Analysis of the Effect of Human Resource Management Practice on the Growth of Federal Inland Revenue Service in Nigeria

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Abstract- *This study investigates how Human Resource Management (HRM) practices influence the growth of the Federal Inland Revenue Service (FIRS) in Nigeria using statistical methods. In an economic environment that is constantly evolving—driven by globalization, increasing taxpayer demands, and policy changes—the FIRS strives for continuous growth through quality-focused service, excellence, and teamwork. A survey involving 340 employees from the FIRS corporate office was conducted. The research adopted a quantitative approach, using questionnaires to collect data. Descriptive statistics, including correlation and hypothesis testing, were applied for analysis. Findings reveal that HRM practices have a significant positive relationship with the organizational growth of FIRS. HRM is critical to the organization as it enhances effectiveness, efficiency, and productivity. Key HRM practices identified include training and development, employment security, and performance appraisal. To boost productivity, training should align with organizational goals, performance appraisals should be thorough and efficient, and employment security policies should be strengthened. Overall, HRM practices positively correlate with corporate growth.*

Keywords: *Human Resource Management, Training & Development, Employment Security, Performance Appraisal, Organizational Growth*

I. INTRODUCTION

1.1 Background of the Study

Human Resource Management (HRM) refers to the comprehensive approach of managing an organization's most valuable assets—its people—whose collective contributions drive the achievement of organizational goals. HRM encompasses all aspects of employment, administration, and workforce development. As noted by Arokiasamy et al. (2023) and Sukmo Hadi Nugroho (2022), essential HRM practices include job analysis and design, workforce planning, recruitment, selection, training and development, and performance evaluation. The goal is to hire, retain, and develop qualified personnel to ensure the organization meets its objectives

efficiently and effectively. Alqudah et al.(2022) emphasize that organizational performance is largely determined by its workforce, suggesting that implementing appropriate HR policies can significantly enhance outcomes.

Arokiasamy et al.(2023) argue that employee performance is a key determinant of organizational success. HR is fundamental in every successful organization as it directly affects both company and employee performance. Over time, HRM has evolved from organizational psychology into a strategic function. To maintain a competitive edge, organizations require a workforce adept in contemporary HR practices. HR managers play a crucial role in retaining employees, meeting organizational goals, and controlling costs. Effective HR management draws upon management, psychology, sociology, and economics to ensure employees are motivated and productive (Ramkumar, 2022).

High employee turnover can slow operations and increase recruitment costs (Al-suraihi et al., 2021). In any organization, employees are pivotal to achieving policies, plans, and objectives (Jery, 2014; Mousa et al., 2024). Public-sector organizations, such as the FIRS, should deliver high-quality services but often lag behind private-sector performance due to weaker HRM practices (AC-Ogbonna, 2020; Ayilara, 2024; Mark, 2024; Okafor, 2016) Research in developed countries has shown a positive link between HRM practices and overall organizational success (Anwar & Abdullah, 2021; Arokiasamy et al., 2023). This study seeks to examine the impact of HRM on FIRS performance in Nigeria.

1.2 Research Objectives

The primary aim of this study is to evaluate the influence of Human Resource Management practices on the growth of the Nigerian Federal Inland Revenue Service. Specifically, the study seeks to:

Examine the effect of training and development, performance appraisal, and employment security on the growth of FIRS.

1.3 Significance of the Study

This research holds importance for several reasons: It will help the workforce recognize the value of HRM in achieving organizational goals, enhancing employee attitudes toward both personal and corporate objectives.

The study will assist organizations in understanding and appreciating the diverse needs of employees, including safety, recognition, emotional well-being, social needs, and self-actualization.

By improving productivity and growth in public institutions, the study may contribute to national economic growth (GDP).

The findings can serve as a foundation for future research, filling existing knowledge gaps in HRM practices and organizational growth.

1.4 Statement of Hypotheses

The study tested the following null hypotheses:

- i. There is no significant relationship between training and development and the growth of FIRS.
- ii. There is no significant relationship between performance appraisal and the growth of FIRS.
- iii. There is no significant relationship between employment security and the growth of FIRS.

1.5 Literature Review

HRM is a strategic approach to effectively managing people to enhance organizational competitiveness. It seeks to maximize employee performance for organizational growth. Core HRM practices include staffing, development, performance management, compensation, and engaging employees in decision-making (Caylan, 2024; Kresnawidiansyah Agustian, Aryanda Pohan, Agustian Zen, Wiwin, 2023). Employee performance encompasses both the quality and quantity of work as well as workplace behaviour. Armstrong (2008) highlights that strategic HRM supports organizational objectives by attracting and retaining skilled, motivated personnel, fostering positive relationships, and encouraging trust.

Training and Development

Training aims to equip employees with the knowledge, skills, and behaviours necessary for their

roles, helping them manage new challenges effectively. Training also prepares employees for future responsibilities and improves team collaboration (Sawicki et al., 2021; Wu, 2025). Research shows that training reduces turnover and enhances organizational performance (Adeyemo et al., 2024; Xuecheng et al., 2022).

Performance Management

HRM can be implemented to either improve efficiency ("hard" HRM) or increase employee commitment ("soft" HRM) (Kwon. M, Dai-jin Kim, Hyun Cho, 2013). Although empirical evidence links HRM to performance, the most effective practices are still debated (Innocent-nwosu et al., 2024; M. Oubrich, A.Hakmaour, L. Benhayoun, S.K. Soilen, 2021; Siraj et al., 2022). Superior HRM systems may combine complementary practices, though consensus on the ideal combination is lacking (Cherian et al., 2021; Stahl G.K., Brewster C.J., Collings D.G., 2020; Tarba S.Y, Cooke.L.F., Weber Y., Ahlstrom D., Cooper C.I., 2019).

Performance management aligns organizational units and processes with strategic objectives, providing feedback and enabling career growth (Mitrea-Curpanaru, 2021; Okafor Chizoba Adaeze, 2019; Rajapakse, 2024; Siraj & Hågen, 2023). Effective performance appraisals boost morale, enhance productivity, and contribute to overall organizational development (Okafor Chizoba Adaeze, 2019; Siraj & Hågen, 2023).

Governance and performance of a corporation are unrelated. Senee Puangyanee (2018) examines the effect of operational efficiency on corporate governance and profitability for 254 Thai stock exchange-listed enterprises. The Multiple Indicators and Causes (MIMIC) Model demonstrates that operational efficiency has a substantial and positive impact on corporate governance and profitability on the Thai stock exchange.

AC-Ogbonna (2020) examines and analyze matters confronting privatization programme in Nigeria and revealed that Nigeria cannot become one of the leading economies in the world without effective performance of her public enterprises. He stated that the performance of the private does not bring about sustainable development and recommended that Government should address all infrastructural decays

and restricts the activities of touts, double taxation and imported goods.

Employment Security

Job security is critical in motivating employees and improving performance. Studies show that employees perform better when confident in their continued employment (Daniel, 2018; Nkeobuna & Ugoani, 2020; Sothy, 2019). Employment stability fosters psychological well-being and encourages commitment to organizational goals.

Despite numerous studies, no prior research has specifically examined HRM practices and growth at the Nigerian FIRS, highlighting a gap that this study addresses.

1.6 Research Design

A descriptive research design was employed, aiming to systematically describe the phenomenon under study and analyse relationships between variables.

1.7 Area of Study

The study was conducted at the FIRS headquarters in Wuse, Abuja, with employees completing questionnaires to provide data for statistical analysis.

1.8 Source of Data

Both primary and secondary sources were used. Primary data came from employee questionnaires

and interviews, while secondary data were drawn from books, journals, lecture notes, online resources, and the organization's HR database.

1.9 Population of the Study

The study population consisted of 2,227 employees at the FIRS Corporate Office, Zone 5, Abuja, Nigeria.

1.10 Sampling Method and Sample Size Determination

A sample of 340 employees was determined using Taro Yamane's formula (1967) with a 5% precision level. Stratified sampling was employed to ensure representation from different departments.

The sample size was calculated by the formula;

$$n = \frac{N}{1+N(e^2)}$$

where n= sample size, N= Population of the entire study, e =error limit (5% precision level)

$$n = \frac{2227}{1 + 2227(0.05^2)} = 340$$

The total employees per strata and the sample size used for the analysis per each stratum is shown in Table 1 below.

Table 1 Population and Sample Size of the study

Strata	Total Employees	Sample size
Legal	347	53
HCMD	543	83
Procurement/Maintenance	624	95
Finance /Account	410	63
Security/ Safety	303	46
Total	2227	340

Source: Field survey 2025

1.11 Data Collection Procedure

Primary data was collected using questionnaires administered to employees. A 5-point Likert scale was used to assess responses for each HRM factor within organizational strata. Interviews were conducted to obtain in-depth insights when necessary.

1.12 Method of Data Analysis

The study adopted a descriptive survey approach, measuring multiple variables and analysing

relationships among them using correlation and hypothesis testing.

1.13 Reliability of Research Instrument

A reliability coefficient of 0.70 or higher is considered sufficient for preliminary studies on predictor tests or hypothesized constructs. The internal consistency of the instruments was calculated using Cronbach's alpha, as shown in Table 2.

Table 2 Reliability of Study Instruments

Items	Cronbach' Alpha	Standardized items
Training and Development	0.86	7
Performance Appraisal	0.88	9
Employment security	0.68	5
Organizational Growth	0.87	9

Source: Field survey 2025

II. DATA PRESENTATION

The results of the analysis are presented in this section.

2.1 Analysis of Data

Table 3. Gender Distribution

Variable	Demographic Variable	Frequency	Valid percentage
Gender of the respondents	Female	123	36.2
	Male	217	63.8
	Total	340	100

Source: Field survey 2025

The data indicates that male respondents (63.8%) outnumbered female respondents (36.2%) among the 340 participants.

To avoid age-group biasness, the study examines the responses from different age group, the results are given in Table 4.

Table 4. Age of the Respondent

Variable	Demographic Variable	Frequency	Valid percentage
Age of the respondents	18-30	183	53.8
	31-40	98	28.8
	41-50	26	7.7
	51-60	33	9.7
	Total	340	100

Source: Field survey 2025

Majority of respondents (53.8%) were between 18 and 30 years, indicating a relatively young workforce. Also, to ascertain the level of comprehension of the respondents, the level of the respondent's educational level was ascertained and the results are presented in Table 5.

Table 5 Level of Education in the Organization

Variable	Demographic Variable	Frequency	Valid percentage
	Diploma	43	12.65
	Degree	246	72.4
	Above degree	51	15
	Total	340	100

Source: Field survey 2025

Most respondents (72.4%) held a bachelor's degree, while 15% held postgraduate qualifications.

Worthy of knowing are the years of experience of the respondents. The outcome is presented in Table 6.

Table 6. Level of Experience in the Organization

Variable	Demographic Variable	Frequency	Valid percentage
Experience	0-5	73	21.5
	6-10	69	20.3
	11-15	67	19.7
	16-20	59	17.4
	Above 21	72	21.2
	Total	340	100

Source: Field survey 2025

The data shows a balanced distribution of experience levels, with a sizeable portion of recently joined employees.

2.2 Correlation Between HRM Practices and Organizational Growth

The relationship between HRM practices (training and development, performance appraisal, and employment security) and organizational growth was assessed using correlation analysis. The results are given in Table 7.

Table 7. The correlation between HRM practice and Organizational growth

Correlation analysis	
HRM Practices	Organizational Growth
Training and Development	0.514
Performance Appraisal	0.623
Employment Security	0.523

Source: Field survey 2025

The results show positive correlations between all independent variables and organizational growth, indicating that these HRM practices significantly contribute to FIRS growth. According to Wong and Hiew (2005), correlation coefficients are interpreted as follows:

0.01–0.29:	Weak
0.30–0.49:	Moderate
0.50–1.0:	Strong

Thus, training and development, performance appraisal, and employment security have a strong positive relationship with organizational growth.

2.3 Hypothesis Testing

The study tested three null hypotheses to determine the impact of HRM practices on organizational growth and the results presented in Table 8.

Table 8 Summary of Hypothesis Testing

Hypothesis	Predictors	r- value	P value	Correlation		
				Degree of correlation	Status	p-value
H01	TND	0.523	0.000	Strong & Positive	Rejected	0.146
H02	ES	0.514	0.000	Strong and Positive	Rejected	0.162
H03	PA	0.623	0.000	Strong & Positive	Rejected	0.072

Interpretation:

Training and Development (TND): The p-value is 0.146, greater than 0.05, so the null hypothesis is rejected. Training significantly improves employee performance and organizational growth. Organisational growth is impossible without effective training.

Performance Appraisal (PA): The p-value is 0.072, greater than 0.05, thus the null is rejected. This implies Effective performance appraisals enhance employee motivation, morale, and productivity. Low performance evaluation would have a detrimental effect on staff motivation.

Employment Security (ES): With a p-value of 0.162, the null hypothesis is rejected, indicating that job security positively affects organizational growth by fostering employee commitment.

III. DISCUSSION OF FINDINGS

The study reveals a strong positive correlation between HRM practices and the growth of FIRS:

Training and Development: Comprehensive training programs enhance decision-making, problem-solving, communication, and teamwork, which collectively drive organizational growth (Magaji N., Akpa, V.O., & Ogundiwin, 2021; Oyebola Oniyide & Olatunbosun Odeyemi, 2024).

Performance Appraisal: Effective appraisals boost employee morale, productivity, and career development, thereby positively impacting organizational performance (Alqudah et al., 2022; Arokiasamy et al., 2023).

Employment Security: Employees with stable employment exhibit higher commitment and engagement, resulting in increased organizational productivity (Daniel, 2018).

Overall, these findings confirm that HRM practices are critical in enhancing organizational efficiency, effectiveness, and growth.

CONCLUSION

The study concludes that HRM practices—specifically training and development, performance appraisal, and employment security—have a substantial positive impact on the growth of FIRS in Nigeria. HRM enhances organizational effectiveness, efficiency, and productivity. Effective training, fair and transparent performance appraisals, and strong job security policies are key drivers of corporate expansion and overall organizational success.

RECOMMENDATIONS

Based on the findings, the study recommends:

1. **Align Training with Organizational Objectives**: Training and development programs should directly support FIRS strategic goals to maximize their impact on growth.

2. **Enhance Performance Appraisals**: Regular, transparent, and effective performance evaluations should be conducted to motivate employees and improve organizational productivity.
3. **Strengthen Employment Security**: Policies ensuring job stability and fair treatment will foster employee loyalty, reduce turnover, and enhance overall organizational growth.

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