EFFECT OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMES) IN KADUNA STATE, NIGERIA

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Abstract

This study examines the effect of human resource management practices on the performance of SMEs in Kaduna State. The objectives of the study are to determine the effect of recruitment and selection, compensation and training on the performance of SMEs in Kaduna State. The study employs cross-sectional survey research design. The population of the research was 2862 Chief Executive officers of SMEs in Kaduna and 400 Chief Executive officers of SMEs were sampled for the study. Primary data was employed for the study. Multiple Regression Analysis was used to determine the effect of human resource management practices on the growth of SMEs in Kaduna State. The results revealed that Recruitment and selection, Compensation, Performance appraisal and Training have significant effect on the growth of SMEs in Kaduna state. Based on the findings the study concludes that human resource management practice has significant and positive effect on performance of SMEs in Kaduna state. The study recommends that SMEs should ensure meritocracy in hiring process, establish scheme of service that spells out job requirements, job specifications as well as academic and professional qualifications which should be considered during initial recruitment and for career progression.

Keywords: Human Resource Management, Performance, Small & Medium Enterprises

Introduction

In recent years, the phenomenon of globalisation has significantly transformed the landscape of business, particularly for small and medium enterprises (SMEs) in Kaduna State, Nigeria. As economies become increasingly interconnected, these businesses face heightened competition, both locally and internationally. This competitive environment necessitates the effective management of human resources, as organisations increasingly rely on their workforce to achieve strategic goals and maintain a competitive edge (Collins, 2021). Human resource management (HRM) practices play a crucial role in this context, encompassing a range of activities designed to enhance employee performance and organisational effectiveness. HRM practices include recruitment and selection, training and development, compensation management, and performance appraisal. Each of these components contributes to the overall performance of SMEs by ensuring that the right talent is acquired, developed, and retained within the organisation (Khan & Abdullah, 2023). Effective recruitment and selection processes are particularly vital, as they enable SMEs to identify and attract individuals with the necessary skills and competencies, thereby directly influencing organisational performance (Gardi, 2022). Furthermore, compensation strategies must be thoughtfully

designed to motivate employees and align their goals with those of the organisation, fostering commitment and enhancing job satisfaction (Sarika, 2023).

Performance appraisal is another essential HRM practice that involves systematically evaluating employee performance against established benchmarks. This process not only identifies areas for improvement but also serves to motivate employees by recognising high achievers and providing support for those who need development (Murphy et al., 2022). Additionally, training and development initiatives are crucial for equipping employees with the skills necessary to adapt to changing market conditions, ultimately leading to increased productivity and innovation (Akyuz & Opusunju, 2024). The broad objective of this study is to examine the effect of HRM practices on the performance of SMEs in Kaduna State. Specifically, the study aims to determine the impact of recruitment and selection, compensation, performance appraisal, and training on the overall performance of these enterprises. By investigating these relationships, the research seeks to provide valuable insights into how effective HRM practices can enhance the performance and sustainability of SMEs in a competitive business environment.

Statement of the Problem

The performance of small and medium enterprises (SMEs) in Kaduna State, Nigeria, has been a subject of concern for stakeholders, including shareholders, employees, and government entities. Despite the establishment of dedicated Departments of Labour within these SMEs to handle recruitment, selection, training, and compensation, the anticipated improvements in organisational performance have not materialised as expected (Akyuz & Opusunju, 2019). The efforts to enhance performance through human resource practices have yielded disappointing results, with SMEs in Nigeria growing at a mere average rate of 3.6% from 2008 to 2021, significantly lagging behind the overall Nigerian economy, which expanded by 5.6% in 2021 (SMEDAN, 2021). This slow growth raises concerns about the sustainability and viability of SMEs in Kaduna, where many businesses fail within a few years of establishment (Akyuz & Opusunju, 2019).

The challenges faced by SMEs in Kaduna are multifaceted. Despite the implementation of various HRM practices aimed at enhancing performance, these enterprises continue to struggle with issues such as inadequate training, ineffective recruitment and selection processes, and insufficient compensation structures (Andow, 2024). Moreover, there is a lack of empirical studies specifically addressing the unique dynamics of HRM practices in Kaduna compared to other developing nations, such as India, where SMEs have demonstrated more robust growth (Sedyastuti et al., 2020). Previous research has primarily focused on larger corporate entities or different geographical contexts, leaving a significant gap in understanding the specific factors that influence SME performance in Kaduna (Hameed et al., 2014; Govand & Nabaz, 2021).

The existing literature highlights several critical gaps. For instance, while studies have examined personnel management practices in various organisations, there is a scarcity of research focusing on the specific HRM practices of SMEs in Kaduna State (Hamid et al., 2017; Mesfin & Getachew, 2019; Rathnaweera, 2019). Furthermore, previous research has not adequately explored the combined effects of training, recruitment and selection, compensation, and performance measurement on the growth of SMEs in this region. This lack of comprehensive analysis limits the understanding of how these practices can be optimally aligned to enhance organisational performance (Jashari & Kutllovci, 2020).

Additionally, the absence of updated studies that utilise growth as a performance measurement metric further complicates the landscape. Many existing studies have not considered the evolving nature of HRM practices and their impact on performance in the context of Kaduna State, which is distinct from other regions due to its unique socio-economic

challenges and opportunities (Ali et al., 2020). The need for a focused investigation into the HRM practices that can effectively drive performance in SMEs in Kaduna is therefore imperative. While SMEs are recognised as crucial to economic development and job creation in Nigeria, the persistent challenges they face in performance enhancement underscore the necessity for targeted research. This study aims to fill the identified gaps by examining the specific HRM practices that can improve the performance of SMEs in Kaduna State, thereby providing valuable insights for stakeholders and policymakers.

Objectives of the Study

The broad objective of this study is to examine the effect of human resource management practices on the performance of SMEs in Kaduna State.

The specific objectives of the study are to:

i. determine the effect of recruitment and selection on the performance of SMEs in Kaduna State.
ii. examine the effect of compensation on the performance of SMEs' in Kaduna State.
iii. access the effect of performance appraisal on the performance of SMEs in Kaduna State, and
iv. investigate the effect of training on the performance of SMEs' in Kaduna State.

Hypotheses of the Study

Based on the objectives of the study, the following null hypotheses were raised and tested:

$H0_1$: Recruitment and selection have no significant effect on the performance of SMEs in Kaduna state.

$H0_2$: Compensation has no significant effect on the performance of SMEs in Kaduna State.

$H0_3$: Performance appraisal has no significant effect on the performance of SMEs in Kaduna state.

$H0_4$: Training has no significant effect on the performance of SMEs in Kaduna state.

Small and Medium Enterprises

SMEs are concepts with uncomfortable definitions because they include a variety of different aspects that include different countries in the world, including other countries in the world. These variable criteria include the level of industrialization level s of the country compared to the Level of economic development (Kamoche, 2019; Okpara, 2019). This is why ideas are not enough definitions that are well agreed. In Nigeria, as in other parts of the world, asset-based (except land, excluding land), and the number of workers and annual income are often considered. Kamoche (2019) (2019) and Okpara (2019) contrast this by emphasizing the changes of the definition of SMEs. According Olutunla (200l), several definitions of SMEs, characteristics such as greeting size, asset base, turnover, financial forces, capital and business size. The investment plan for small and medium-sized businesses in SMEES's SMEES Committee's SMEES's SMEEIS has decided to have MSME as an asset-based company of $ 3850,000. We (NSOO million), excluding land and labor capital. More than 10 people (Sanusi, 2013). According to the Pacific Economic Cooperation Council (2003), the International Financial Company (IFC) defines a SME as a company with less than 300 employees and general assets less than $ 15 million. In a small economy, SMEs are classified as companies with less than 20 employees by the company.

Small and medium-sized firms (SMEs) are defined as businesses with annual sales of less than N100 million and/or less than 300 employees (Oyeyinka, 2017). SMEs are defined as companies having a maximum asset base of N500 million (excluding land and working capital) and no lower or higher limit on the number of workers they employ under the Small and Medium-Sized Enterprises Equity Investment (SMESEI) programme. In its monetary

policy circular number 22 of 1988, the Central Bank of Nigeria (CBN) defined a small-scale company as one with an annual turnover of less than N500,000. According to Abdul Majeed (2002), the Federal Ministry of Industries defines small and medium-sized businesses (SMEs) as any manufacturing, processing, or Service Company with a capital investment of less than N150 million in machinery and equipment alone. According to Section 37b (2) of the Companies and Allied Matters Decrees, which went into force in 1990, a small company is one with an annual income of not more than two million naira and a net asset value of no more than one million naira. A small and medium-sized company (SME) is defined by the European Commission (2017) as an entity with fewer than 250 workers, annual sales of less than €50 million, and/or annual balance sheet total of less than €43 million. As shown above, there is no clear-cut definition of SMEs since many definitions are based on one or a combination of variables such as the number of employees, sales turnover, capital expenditure, asset base, and so on. Small and medium-sized enterprises (SMEs) have less than 500 workers. One would agree that definitions of SME vary from country to country, and even within a single country, they vary from sector to sector since different institutions may adopt alternative definitions depending on the institution's policy focus. It's also worth noting that these definitions are susceptible to change. To this end, the National Council on Industry (2001) said that it is essential to define what constitutes a small and medium-sized company (SME).

Micro/cottage industries are defined as businesses with less than ten employees and total expenses of N1.50 million or less, including working capital but excluding the cost of land. Small-Scale Small -Scale Industry: A small-scale industry is defined as a business with 11 to 100 people and a total cost of less than N50 million, including working capital but excluding the cost of land. In Nigeria, a medium-scale industry is defined as a company with 101 to 300 people and a total cost of more than N50 million but less than N200 million, including working capital but excluding the cost of land. Large Scale: An enterprise having more than 300 workers with a total cost of over ₦200 million values including capital except land costs. SMEs account for more than 90% of *all* organizations around the world, and the majority of agricultural operations are displayed as Labour Strength (Kayanula & Quartey, 2015) and rural areas. In the rural area of this city area (Kayanula & Quartey 2015), reducing the displacement of the personnel in the rural area, spreading the work in the urban areas of the economy across the rural area, allocate, and industry generate the important sources and industry's more equal income. These employments are greatly imported from individuals (Arthur, 2019) to create jobs for individual staff and administrators, and therefore facilitates poverty (Fisher & Reuber 2017).

Concept of Human Resource Management Practices

The phrase "human resource management" (HRM) originally emerged in the late 1980s as a substitute for traditional people management, and it evolved significantly in theory, research, and practice during the following two decades. Previously, research focused on developing legal and fair human resource management techniques in major organizations (Carnevale & Hatak, 2020). According to the literature, a typical personnel manager was a person who knew how to run a business and protect workers' rights. They dealt with employee complaints, made sure workers were paid correctly, and kept legal issues from happening. Human resources are the most essential resource that a company may have in the twenty-first century since they enable other kinds of resources to be utilized more efficiently and effectively. As a consequence, organizations must maintain a constant focus on acquiring and maintaining human resources (Ismael et al. 2021). Despite the fact that the word "human resource management" is often used, its meaning has remained ambiguous and imprecise. Human resource management (HRM) is a separate approach for attaining a competitive edge via the deliberate deployment of a highly devoted and skilled staff using a comprehensive set

of cultural, structural, and personnel techniques. Human resource management (HRM) is a complete, integrated, and strategic approach to employee recruiting, development, and well-being. According to Boxall and Purcell (2018), human resource management (HRM) is the management of work and people to accomplish certain objectives. Human resource management (HRM), according to Som (2018), is a well-organized collection of such actions targeted at increasing organizational effectiveness and, as a consequence, improving performance results. Human resource management is all of the decisions and actions that a company makes that affect how it interacts with its employees.

The most typical human resource management responsibilities in most firms include recruitment, selection, placement, and induction; training and development; performance appraisal; employee compensation; welfare services and benefits; and industrial relations. According to Chang and Huang (2015), human resources are strategic assets that add value when they are used in a way that helps a company deal with a chaotic environment. HRM is the "strategic and coordinated approach to managing an organization's most important assets: the people who work there, who individually and collectively help the business achieve its goals. “It has been shown that individuals may increase their performance. But only if the right HR policies and practices are in place (Guest, 2017) can this be done. According to Delery and Doty (2016), SMEs that use successful HRM approaches will see workers not only acquire new skills and knowledge, but also a change in attitudes that will boost their performance. He thinks that by implementing strong HR practices, SMEs will be able to remove outmoded, ineffective, and inefficient methods of doing things, enabling them to accomplish their goals more effectively. According to Singh and Vohra (2015), small-scale enterprises that correctly integrate their HRM system with their vision and organizational objectives may accomplish their goals more efficiently.

Empirical Review

Modern HRM methods in China's banking industry have been linked to organizational innovation (OI) by Samma et al. (2019). This research made use of a questionnaire survey. A sample of 140 people is used to test the hypotheses using correlation and regression analysis. According to the findings, current HR strategies have a favorable impact on organizational effectiveness. Performance management has the most impact on OI of any current HR strategy, according to the study. However, our research shows that in China's banking industry, a greater degree of performance management results in higher OI. HRM methods were examined by Mesfin and Getachew (2019) in the Akaki sub-city administration to see how they affected the performance of small businesses. As a result, an explanatory research design was adopted to perform this study. In this study, four factors have been identified: recruitment and selection, training and development, compensation/incentives, and performance evaluations. All employees of small-scale business enterprises in the Akaki sub-city administration, Addis Ababa, that are directly related to the study are included in the study's population. Wereda 7 and 8 are home to a total of 194 small businesses. Six small businesses were chosen from a pool of 194 based on the similarity of their operations, and the lottery method was used to select them. Sample employees and managers from the six selected companies were also surveyed to obtain the necessary data. To pick a representative sample of 44 workers, the researchers used a simple sampling approach, and to select a representative sample of six supervisors, they used a judgmental sampling technique. Questionnaires and company documents were used to gather the necessary information. According to the study, HRM practices have a significant impact on small-scale businesses. Research shows that small-scale businesses' success is significantly influenced by their HR procedures (recruitment and selection, incentives, training/development policies, and performance rating techniques).

There are eight HRMPs that were studied by Rathnaweera (2019) and found to have an

influence on company performance among Sri Lankan small and medium-sized firms in the manufacturing sector. In Sri Lanka, the impact of HRMPs on the performance of MSMES is not given much attention. As a result of this, this study fills a gap in the literature on MSMEs. A random sample of fifty MSMEs in Sri Lanka's Hambanthota district (HDSL) was chosen for this study. Owner-managers were interviewed using a structured questionnaire and in-depth interviews. According to the findings, several HDSL MSMEs have mostly adopted informal HR procedures. Two of the eight available formal HR procedures were employed by these companies on average. Fewer than three human resources practices (HR) were embraced by two-thirds of small and medium-sized enterprises (SMEs). Most often used human resources techniques include employing professional recruiting sources, establishing documented criteria for dismissal, and establishing a Human Resources strategy for the company. The characteristics of HRMPs in MSMEs in HDSL vary depending on the owner-degree manager's and the size of the company. Formal HRM practices in HDSL were shown to have a slight positive correlation with the financial performance of small and medium-sized enterprises (SMEs). Except for the presence of HR specialists, all of the HRMP factors have a positive correlation with overall company success. The success of HDSL's MSMEs may be strongly predicted by the amount of money they spend on staff training. There are strong correlations between education level, business size, and formal HRMPs in the workplace. Human resource management strategies and organizational performance are examined by Jashari and Kutllovci (2020). A total of 100 managers from both the public and private sectors of Kosovo's industrial industries took part in this research. Human resource management (HRM) and organizational performance were the focus of 39 survey questions. It is clear from our empirical findings that managers of manufacturing enterprises in Kosovo are able to successfully manage their personnel. Correlation research shows that HR practices have a favorable and substantial impact on the performance of organizations. When compared to other strategies, recruitment and selection have the greatest positive correlation with organizational success (rho = 0.905). Human resource management and government performance were the focus of a study conducted by Govand & Nabaz in the year of 2021. To remain competitive in a quickly changing economic environment, Government institutions are always striving to reduce costs, update goods and processes, and improve quality in order to keep up with the competition and remain relevant in the marketplace. The present study was analyzed using a quantitative research approach. A total of 240 people took part in the research. Except for the fifth hypothesis, which claimed that "Decentralization is positively related with organizational performance," the results showed that all hypotheses were rejected. Decentralization was shown to have a favorable effect on organizational performance.

Theoretical Framework

Strategic Human Resource Management Theory was adopted for the study as propounded by Boxall, Purcell, and Wright (2007), there are three major subfields of HRM: strategic human resource management (SHRM), micro human resource management (MHRM) (IHRM). Before the creation of SHRM, RBT helped shift the focus of strategy literature from outside forces to inside resources as a source of competitive advantage (Wright, 2001). This helped make SHRM possible. Having a link between strategy and HR planning was needed to make the assumption that people are important to business success by RBT (Wright, 2001). This led to the formation of the discipline of SHRM, which aims to find out how HR can help businesses achieve their strategic goals (Wright, 2001). According to Barney (2001), a company's strategy is how it thinks it can do better than its competitors in the markets where it does business. When making a strategy, the size, resources, unique abilities, and competitive advantages of a company are all taken into account. The strategic plan describes, in functional terms, how the company's objectives will be met. Strategic activities are different from

management and operational activities, which deal with the availability and distribution of resources. They deal with the implementation of the strategic plan. Resource-based theory, on the other hand, says that a strategic plan can only work if it is backed by an effective workforce and management practices. SHRM recognizes that HR involvement in the enterprise's strategic decision-making process is needed.

According to SHRM, human resource management tasks must be connected to the company's broader objectives and context. HRM activities are also expected to increase corporate performance and support each other in alignment (Schular & Jacksons, 2005). (Jackson and Seo, 2010). SHRM examines HRM's involvement in strategic management in further detail in this manner. To be successful in the long run, human resource plans and strategies must be established in response to the company's ever-changing external environment. It is suggested, using SHRM theory, that strategy and HR practices are linked, and that a match between strategy and HR is a necessity for effective organizational performance (Rogers & Wright, 1998). As a consequence, SHRM theory expands on the aspects brought forth by resource-based theory and focuses on how the skills and commitments gained by the company may be strategically directed to affect the core business strategy towards accomplishing the firm's specified goals. To put it another way, in addition to concentrating on individual performance and addressing enterprise challenges, HRM should also concentrate on enterprise performance by enabling each of the individual HRM practices to have an external fit of assisting in supporting the firm's overall business plan (Becker & Huselid, 2006). In 2001, Boxall Wright suggested the SHRM hypothesis for the first time. According to Boxall, Purcell, and Wright (2007), there are three major subfields of HRM: strategic human resource management (SHRM), micro human resource management (MHRM) (IHRM). Before the creation of SHRM, RBT helped shift the focus of strategy literature from outside forces to inside resources as a source of competitive advantage (Wright, 2001). This helped make SHRM possible. Having a link between strategy and HR planning was needed to make the assumption that people are important to business success by RBT (Wright, 2001). This led to the formation of the discipline of SHRM, which aims to find out how HR can help businesses achieve their strategic goals (Wright, 2001).According to Barney (2001), a company's strategy is how it thinks it can do better than its competitors in the markets where it does business.

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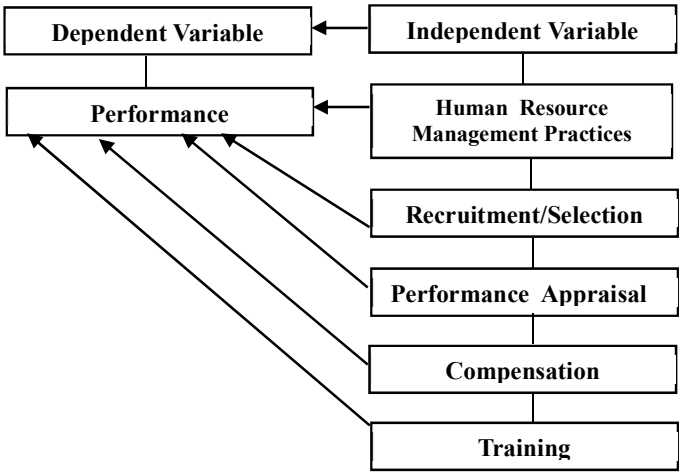
addition to concentrating on individual performance and addressing enterprise challenges, HRM should also concentrate on enterprise performance by enabling each of the individual HRM practices to have an external fit of assisting in supporting the firm's overall business plan (Becker & Huselid, 2006).

Methodology

The study employed survey research design to investigate the effect of human resource management practices on the performance of small and medium enterprises (SMEs) in Kaduna State, Nigeria. The population for this study consisted of 2,862 registered SMEs in Kaduna State as of December 31, 2021, according to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2021). To determine the sample size scientifically, the Yamane Taro formula (1967) was utilised, the sample size was calculated to be 400. Finally, a simple random sampling technique was applied to select individual SMEs within each senatorial district, ensuring that each SME had an equal chance of being included in the study. The respondents for the survey were the owners or managers of the selected SMEs. A structured questionnaire was developed to collect data on the independent variables, which included recruitment and selection, compensation, performance appraisal, and training, as well as the dependent variable, SME performance. The questionnaire underwent validation by experts in human resource management and entrepreneurship, and a pilot study was conducted to assess its reliability and clarity. Data analysis was carried out using both descriptive and inferential statistical methods. Descriptive statistics, means, and standard deviations, and the variables of interest. Inferential statistics, specifically multiple regression analysis, were employed to test the hypotheses and determine the effect of human resource management practices on SME performance. This analytical approach provided a comprehensive understanding of the relationships between the variables.

Model Specification

The model specification for the regression is as follows:



Source: Researcher's Model, 2024

The model specification for the regression is mathematically represented in the model expressed below as:

$BG = f(HRMP)$……..…(1)

$BG = \beta_0 + \beta_1(RAS) + \beta_2(COP) + \beta_3(PRS) + \beta_4(TRN) + \varepsilon$……(2)

Where: BG =SMEs Performance, COP = Compensation, RAS = Recruitment and Selection, TRN = Training, PRS = Performance appraisal (PRS), Ɛ = Error term.

Data Presentation, Analysis and Interpretation

Table 1. Descriptive Analysis

Variable	N	MEAN	STD. DEV.	MIN	MAX	SKEWNESS	KURTOSIS
ras	400	3.6600	1.14134	.001215	.041647	0.0000	0.0000
Cop	400	3.6750	1.17594	.027562	.30979	0.0017	0.6225
prs	400	3.6800	1.14712	.000948	1.08452	0.0000	0.0000
trn	400	3.6775	1.14969	.016487	.631742	0.0000	0.0000

Source: SPSS output version 18.00 2024

In table 1, the mean RAS, COP, PRS, and TRN for all the SMEs under consideration are 3.6600, 3.6750, 3.6800, and 3.6775, respectively. The standard deviations obtained by RAS, COP, PRS, and TRN are small, indicating that there was little variance in the variables across the 400 SMEs studied.

The standard deviations recorded by were minimal showing an indication that there was minimal variation in the variables between the all the SMEs under study. As revealed by the skewness, there is a positive skewness across all the variables indicating that the degree of departure from the mean of the distribution is positive revealing that overall there is consistent increase in performance of all the SMEs under study As indicated by the Kurtosis the value of all the variable is normal which indicates that the degree of peakedness within the period of this study is not normally distributed as most of the values do not hover around the mean.

Table 2. Correlations

		BG	RAS	COP	PRS	TRN
Pearson Correlation	BG	1.000	.896	.902	.881	.881
	RAS	.896	1.000	.943	.922	.921
	COP	.902	.943	1.000	.928	.927
	PRS	.881	.922	.928	1.000	.906
	TRN	.881	.921	.927	.906	1.000
Sig. (1-tailed)	BG	.	.000	.000	.000	.000
	RAS	.000	.	.000	.000	.000
	COP	.000	.000	.	.000	.000
	PRS	.000	.000	.000	.	.000
	TRN	.000	.000	.000	.000	.
N	BG	400	400	400	400	400
	RAS	400	400	400	400	400
	COP	400	400	400	400	400
	PRS	400	400	400	400	400
	TRN	400	400	400	400	400

Source: Field Survey 2024

The correlation coefficient ranges between -1 and +1.

Table 2. A +1 coefficient indicates a perfect connection, while a –1 indicates a perfect negative correlation. According to the findings of the correlation matrix, recruiting and selection have a substantial positive link with the performance of small and medium-sized firms in Kaduna State, Nigeria. In Kaduna State, Nigeria, compensation has a substantial positive link with performance in terms of development of small and medium-sized firms. Training has a strong positive correlation with performance in terms of growth of small and medium scale enterprises in Kaduna State of Nigeria, whereas performance appraisal has a strong positive correlation with performance in terms of growth of small and medium scale enterprises in Kaduna State of Nigeria.

Test of Hypotheses

Regression analysis was utilized to determine the influence of the independent variable on the dependent variable of hypotheses 1, 2, 3, and 4, and correct interpretation and analytic procedures were employed to explain the hypotheses testing.

Table 3. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	474.274	4	118.568	521.972	.000[b]
	Residua l	89.726	395	.227		
	Total	564.000	399			

a. Dependent Variable: BG
b. Predictors: (Constant), RAS, COP, PRS, TRN
Source: Field Survey 2024

In Table 3, the ANOVA presentation is shown above. The population parameters were discovered to have a significant p-value of 0%, which is less than 0. 001.Because the p-value is less than 5%, this is clear indication that the data utilized in the research was appropriate and trustworthy for concluding the variables under consideration. The F statistic critical at 5% confidence level was 521.972, indicating that the whole model is fit and that human resource management (HRM) practices have a considerable influence on the performance of small and medium companies (SMEs) in Kaduna state, Nigeria.

Table 4. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	T	Sig.	Zero-order	Partial	Part
1	(Constant)	.079	.043		1.844	.066			
	RAS	.280	.071	.268	3.958	.000	.896	.195	.079
	COP	.331	.073	.328	4.563	.000	.902	.224	.092
	PRS	.180	.062	.174	2.923	.004	.881	.146	.059
	TRN	.178	.061	.172	2.906	.004	.881	.145	.058

a. Dependent Variable: BG
Source: Field Survey 2024

Discussion of Findings

In table 4 above, the analysis discovered that Recruitment and selection has a p-value of 0.000 and a beta value of 0.079, both of which are significant at 5%. This demonstrates that recruitment and selection have a positive effect on the success of SMEs in Kaduna state. As a result, for every increase in recruitment and selection, the performance of SMEs improves by 7.9 percent. This finding is in line with those of Akinruwa (2013) and Aliyu (2013). (2017). Who found that compensation had a p-value of 0.000 and a beta value of 0.280, both of which are significant at 5%. This demonstrates that compensation has a positive and significantly effect on the performance of SMEs in Kaduna state. As a result, an increase in remuneration leads to a 28.0 percent rise in the performance of SMEs in Kaduna state. This work, in line with Nersia, (2005); Nusrat and Tarun, (2014); and Aliyu, (2015). Furthermore, the research discovered that performance appraisal had a p-value of 0.000 and a beta value of 0.180, both of which are significant at 5%. This demonstrates that performance assessment has a positive and significant effect on the performance of SMEs in Kaduna state. As a result, an increase in performance evaluation leads to an 18.0 percent improvement in the performance of SMEs in Kaduna state. This work is in line with Nersia, (2005), Nusrat, and Tarun, (2014), and Aliyu, (2015). (2017).

Furthermore, the analysis discovered that training had a p-value of 0.000 and a beta

value of 0.178, both of which are significant at 5%. This demonstrates that training has a favorable, powerful, and considerable impact on the performance of SMEs in Kaduna state. As a result, an increase in training leads to a 17.8 percent rise in the performance of SMEs in Kaduna state. This research is also consistent with Nersia (2005). The regression results show that the association between recruitment and selection and the performance of SMEs in Kaduna state is substantial and positive, with a coefficient of 0.280 and a p-value of 0.000.As a consequence, a unit increase in recruiting and selection would result in a 28.0 percent rise in the performance of SMEs in Kaduna state; this implies that recruitment and selection had a considerably favorable influence on the performance of SMEs in Kaduna state throughout the research period. As a result, the analysis contradicts null hypothesis one (H01), which claims that recruitment and selection have no significant influence on the performance of SMEs in Kaduna state. As a consequence of the findings, the research concludes that recruitment and selection have a substantial impact on the performance of SMEs in Kaduna state throughout the study period.

With a coefficient of 0.331 and a p-value of 0.000, the regression result reveals that the influence of compensation on the performance of SMEs in Kaduna is substantial and favorable. As a consequence, a unit increase in compensation would result in a 33.1 percent improvement in the performance of SMEs in Kaduna; this implies that compensation had a considerably beneficial influence on the performance of SMEs in Kaduna throughout the research period. As a result, the research rejects null hypothesis number two (H02), which argues that compensation has no meaningful influence on the performance of SMEs in Kaduna State. As a consequence of the findings, the research concludes that compensation has a considerable impact on the performance of SMEs in Kaduna State throughout the study period. Furthermore, the regression result on the association between performance evaluation and the performance of SMEs in Kaduna state suggests that, with a coefficient of 0.180 and a p-value of 0.004, is significant and positive. As a consequence, a unit increase in performance appraisal would result in an 18.0 percent improvement in the performance of SMEs in Kaduna state; this implies that performance assessment had a considerably favorable influence on the performance of SMEs in Kaduna state throughout the research period. As a result, the research rejects null hypothesis three (H03), which claims that performance assessment has no meaningful influence on the performance of SMEs in Kaduna state. As a consequence of the findings, the research concludes that performance assessment had a substantial impact on the performance of SMEs in Kaduna state throughout the study period.

Finally, the regression result on the association between training and the performance of SMEs in Kaduna state suggests that, with a coefficient of 0.181 and a p-value of 0.004, is significant and positive. As a consequence, a unit increase in training would result in an 18.1 percent improvement in the performance of SMEs in Kaduna state; this implies that training had a considerably beneficial influence on the performance of SMEs in Kaduna state throughout the research period. As a result, the research rejects null hypothesis three (H04), which claims that training has no meaningful influence on the performance of SMEs in Kaduna state. As a consequence of the findings, the research concludes that training had a substantial impact on the performance of SMEs in Kaduna state over the study period.

Conclusion and Recommendations

The study looked at how human resource management practice affected the performance of SMEs in Kaduna State. Human resources practices (HR practices) are receiving more attention in today's organizational environment as organizations seek to obtain a competitive edge in the global marketplace. Processes such as comprehensive recruiting and selection, training, security, and assessment are common in HR procedures. These behaviours have a big impact on how people feel about their jobs.

Based on the findings and conclusions, the research recommends that:

i. SME's continue to employ meritocracy in the recruiting process, creating an organizational chart outlining job duties and responsibilities as well as educational and professional credentials that should be taken into account throughout the hiring process and for future promotion opportunities.
ii. According to the findings of the study, small and medium-sized businesses (SMEs) should continue to get compensation since it has a positive impact on performance.
iii. Kaduna's small and medium-sized enterprises (SMEs) should continue to encourage seamless performance evaluations and set targets and goals that are participatory for ownership throughout the execution, monitoring, and evaluation stages. The goals set must be within the capability of the staff and supported by the owners of small and medium-sized enterprises.
iv. Small and medium-sized businesses (SMEs) in Kaduna should keep increasing the amount of training they provide for their staff.

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