



Human Resource Policies, Decision Making and Industrial Harmony in Edo State

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Abstract. This study empirically assessed the relationship between human resource management policies and decision making in promoting industrial harmony in Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State. The study specifically examined how human resource policies (promotion and transfer policies, leave and time-off policies, employee conduct policies and employee exit policies) influences industrial harmony ad decision making and how decision-making influences industrial harmony in Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State. Cross-sectional survey research design was utilized in this study. The population of this study consist of all one hundred and seventy-five (175) staff of the Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State. A sample size of 122 respondents from the Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State were administered questionnaire. Data collected were analyzed using descriptive statistics to ascertain the employees' perceptions on the variables of interest while Pearson correlation coefficients and multiple regression analysis were used to analyze the relationships among the research variables. All tests were performed at a 5% level of significance using SMART software. The structural equation modeling (SEM) was used as the estimating technique to analyze the structural relationship between measured variables and latent constructs. The study found that human relations policies positively impact on industrial harmony in an organization. The study found that there is a statistical significance between human resource policies, decision making and industrial harmony. It is recommended that management need to improve the

level of job involvement of employees in the decision-making process, especially those human resource policies that affect them as this would eliminate any form of discrimination to a minimum.

Keywords: Human resource management policies, Decision making, Industrial harmony, Promotion and transfer policies, Leave and time-off policies, Employee conduct policies and Employee exit policies

1. Introduction

The workplace is made up of various values, convictions, and behavioral attitudes held by both employers and employees. Employees are the heart of any business and play an important role in driving growth and profitability (Asamu, Abiola, Ogadimma, and Bamidele, 2019). They are also the engine that drives any organization. However, a strong union (industrial harmony) between workers and the organization managers is necessary for workers to perform effectively and efficiently (Chen, Chen & Chen, 2018). Nevertheless, Tom and Shepherd argued that industrial disharmony is inevitable because there are inherent competing interests, whether in wages or terms and conditions of service for workers. This is true regardless of how social elements relate to one another in work organizations.

Workplace conflict, according to Idemobi, Ngige, and Ofili (2017), occurs when the interests, goals, or values of various people or groups are incompatible, making it difficult for each person or group to successfully accomplish their goals within an organization. Industrial harmony is the relationship

between management and employees regarding the terms and conditions of employment and the workplace, according to Dickson and Biriowu (2020). In essence, it is a circumstance in which management and staff voluntarily work together to further the goals and objectives of the company. According to Onimole, Akinseye, and Adebusey (2020), one of the main elements of interventions for promoting industrial harmony in organizations is the use of human resource management policies and decision-making. Usman and Dugguh (2014) noted that since people produce all other organizational resources, they are the most valuable organizational asset.

Therefore, it is important to manage human resources well to support the achievement of organizational goals. Usman and Dugguh (2014) provided support for the idea that managing human resources involves an organization's capacity to hire, develop, reward, and manage staff to boost overall productivity. According to Irfan and Robina (2013), organizations cannot afford to lose potential human resources in this competitive age. Corporate organizations spend a lot of money on attracting, developing, and inspiring competent staff because they cannot afford to lose their talented employees. Who also participate in decision-making.

According to Ezeanolue and Ezeanyim (2020), decision making is all about creating an enabling environment in which individuals can have an impact on actions and decisions that influence industrial harmony. According to Shrestha, Ben-Menahem, and Krogh (2019), "decision making process is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are also able to enhance their own sense of well-being at the same time. According to Oyebamiji (2018), "decision-making has been recognized as a managerial tool for improving industrial harmony by pursuing the shared objectives of employees and managers. According to Pillay and Singh (2018), encouraging positive decision-making processes will improve industrial harmony and help organizations stay competitive in the rapidly expanding business environment.

Effective administration of human resource management policies and employee decision making is essential to guaranteeing a promising and feasible potential for their establishment (Adekoya, Jimoh, Okorie & Olajide, 2019). Adekoya, Jimoh, Okorie and Olajide (2019) acknowledged that "a highly engaged workforce can increase innovation, productivity, and bottom-line performance and thus enable employees

to be committed to the organization, which in turn promote industrial harmony. More so, empowered employees through effective human resource management policies are said to be in the position to make quick decisions and respond to any changes in the environment.

Studies on human resource management policies, decision making and industrial harmony have been respectively investigated empirically in both developed and developing nations, for example; Onimole, Akinseye and Adebusey (2020), Dickson and Biriowu (2020), Ezeanolue and Ezeanyim (2020), Asamu, Abiola, Ogadimma, and Bamidele (2019), Oyebamiji, (2018), Idemobi, Ngige and Ofili (2017), Usman and Dugguh (2014), among others. This study intends to align its research to businesses in Edo state, which have not been undertaken. There is a high amount of dearth in empirical literature on the study of the impact of human resources policies and decision making on industrial harmony in Edo State as most studies tend to investigate these variables independently.

This study is earmarked to evaluate the impact of these three variables on each other using structural equation model to identify the degree of influence of human resource policies on industrial harmony, human resource policies on decision making and decision making on industrial harmony.

Against this backdrop, the following research objectives were raised:

- To empirically assess human resource management policies and decision making in promoting industrial harmony.
- To examine the impact human resource policies (promotion and transfer policies, leave and time-off policies, employee conduct **policies and employee exit policies**) has on industrial harmony;
- To investigate the impact human resource policies (promotion and transfer policies, leave and time-off policies, employee conduct **policies and employee exit policies**) **on decision making; and**
- To ascertain whether decision making influences industrial harmony.

2. Literature Review

2.1 Industrial Harmony

Industrial harmony refers to a friendly and cooperative agreement on working relationships between

employers and employees for their mutual benefit (Otobo, 2005; Osad & Osas, 2013). According to Bassey, Ojua, Archibong, and Bassey, (2012) industrial harmony is a state of relative peace in any industrial organization, which involves; absence of strikes, and distrust among work groups or unions, peaceful relationship between unions and management of the organization, as well as employee positive perception of his or her contribution as participant not as subject within the organization. Industrial harmony is a very critical factor of organizational productivity and performance.

Barbara, Amah, and Okocha (2021) understudied how human relations affect the peace and harmony of an organization and concluded that human relations require having positive interactions among members of the team, to achieve industrial peace and harmony in an organization.

2.2 Factors Influencing Industrial Harmony

The industrial harmony system of an organisation is influenced by a variety of factors and these interrelated and interdependent factors determine the texture of industrial harmony in any setting. In fact, they act, interact, and reinforce one another in the course of developing the industrial relations. Some of these factors as stated by Mirza (2020) include: institutional factors such as state policy, labour laws, collective bargaining agreements, labour unions etc. Economic factors such as the form of economic organisations, domestic or MNC, the source of labour supply, disparity of wages between groups, level of unemployment, etc. Social factors consist of items such as like social group, social values, norms, social status etc. Technological factors include items like work methods, type of technology used, rate of technological change, R&D activities, ability to cope with emerging trends, etc. Psychological Factors include owners' attitude, perception of workforce, workers' attitude towards work, their motivation, morale, interest, alienation; dissatisfaction and boredom resulting from man-machine interface etc. These factors considerably influence the patterns of industrial relations.

2.3 Industrial Harmony Strategies

Strategies to ensure industrial harmony in organizations differs but are all aimed at averting conflicts and ensure to smooth resolve of conflict whenever it arises. Some of the strategies include:

2.4 Individual Focused Strategies

(a) Increasing awareness of the sources of conflict: This is recognizing the forces responsible for conflict and making individuals or team members aware of them so that they could avoid them (Dunnette & Hough, 1992).

(b) Increasing diversity awareness and skills: Organizations are made up of people from different ethnic groups and nationalities. Members have different skills by reason of differences in training and education. Therefore, managers should create this awareness so that members should learn to accept one another and work harmoniously together

© Practicing Job Rotation: Sometimes, conflict could arise because some individual organizational members simply do not have a good understanding of the work activities and demands that members from other units and department have. This lack of broad-base knowledge in the organization could be responsible for conflict among members. In situations such as this job rotation which could expand organizational members' knowledge base and appreciation of their units and department can be a useful way of resolving conflict (Wall, 1995).

(d) Using Permanent Transfers or Dismissals When Necessary: Sometimes when other conflict resolution strategies do not work as expected, managers may need to take drastic steps, including permanent transfers or dismissals of the conflicting members (Shapiro, Tracktenberge & Landro, 1995).

2.5 Organization Focused Strategies

(a) Changing an organization's structure or culture: Incessant conflict can signal the need for changes in an organization's structure or culture. Sometimes, managers can effectively resolve conflict by changing the organizational structure they used to group people and tasks. (Lawrence, Barnes & Lorsch, 1976). On the other hand, managers may sometimes need to take steps to change an organization's culture in order to resolve conflict. Norms and values in an organizational culture might inadvertently promote dysfunctional high levels of conflict that are difficult to resolve. In such cases, organizational culture may need to be changed to make conflict resolution easy (Bahar, 1995).

(b) Altering the source of conflict: When conflict is due to over-lapping authority, and status inconsistencies, managers can sometimes effectively resolve the conflict by directly altering the source of the conflict such as overlapping authority, evaluation or reward system, or status inconsistency.

2.6 Factor that Undermines Industrial Harmony in Organizations in Nigeria

In industrial relations, the main focus in the study of management is man, with the satisfaction of human wants being the principal aim of all economic enterprise. Whenever this is ignored, industrial relation tends to be strained, ending up in industrial conflict (Bankole, 2000). Nwokocha (2015) noted that leadership behaviour, lack of effective communication, work environment, and non-recognition of trade union as a bargaining party results in conflicts in organizations. These factors are examined below:

2.6.1 Leadership Behaviour

Leadership behaviour is a potent tool in managing employee/employer relations in workplace. Employees in the organization need leaders to guide them towards the attainment of the goals and objectives, both of the individual and the organization (Ushie, 2002). Leadership is essentially a process in which one individual or sometimes a small group of individuals influence the efforts of others towards the achievement of goals in a given set of circumstance (Cole, 2005). Iheriohanma (2009) sees leadership as the ability of a person to lead. He posits that leadership functions within the contexts and situations. For instance, in Nigeria, Bankole (2000) and Gordons (2013) noted that an autocratic leadership style will definitely breed a conflict atmosphere that might lead to less innovation and employees' morale. These assertions imply that the leader must have a good sense of human relations and adopt approaches that will lead to the attainment of the stated goals and objectives of the organization and the needs of the individual employees at work.

2.6.2 Effective Communication

Communication is vital to any social system as it creates an environment of trust, harmony and proficiency. It is essential to worker's involvement so as to boost mutual understanding between management and employees and enhance organizational performance and productivity (Akpooyovwaire, 2013). Onimole, Akinseye and Adebuseye (2020) assert that most organization conflicts and industrial disharmony result from lack of knowledge and proper understanding of the facts due to inadequate or complete absence of communication. Likewise, Onyeizugbe, Aghara, and Olohi (2018) found that joint consultation and employee engagement influence industrial harmony.

2.6.3 Work Environment

Work environment is generally discussed from the industrial (physical) and psychological perspectives as factors that play significant role in employee's disposition at workplace. The physical aspect of work environment consists of noise, toxic substance exposure and heavy lift etc. (Hytter, 2008), while the psychological dimension consists of work-load, decision, support, stressor, latitude etc. (Muhammad & Fahad, 2013), work-life imbalance, status and role adjustment problem, etc. (Austin-Egole, Wokoma and Iheriohanma, 2014).

2.6.4 Non-Recognition of Trade Union as a Bargaining Party

Okene (2008) argued that the issue of recognition of the role of trade unions is crucial to the whole process of collective bargaining in industrial relations, especially as the Nigeria labour law gives recognition to trade unions for collective bargaining purposes. Collective bargaining is a means of joint regulation by employees and worker representatives. It offers the actors in industrial relations the opportunity to formulate rules by mutual consent (Venkata, 2011). It is an important channel for attaining a harmonious relationship between workers and their employers (Okene, 2010).

2.6.5 Breach of Collective Agreement

Nigeria as one of the market economies has witnessed industrial actions as a result of management's breach of collective agreement reached with trade unions. Albert and Yahaya (2013) aptly stressed that the source of trade dispute is as a consequence of failure of employers to respond to and respect existing agreement entered into with workers' representatives. Sholokwu and Owori (2016) argued that by implementing collective agreement, reducing casualization of staff and to develop a promotion policy, to fewer incidences of strike and grievances, industrial harmony can be achieved. In support of this view, Okene (2008) posits that the cause of industrial disharmony in organizations in Nigeria is non-enforcement of collective agreements. Chakraborty and Biswas (2021) noted that organizational trust and infusing a tolerant attitude toward conflict in a firm has been instrumental in instilling a sense of harmony and peace in one's mind and spirit. Such an ambience would generate a sense of participation, cooperation and would mutually reinforce social exchange.

2.6.6 Decision Making

Making decisions by managers is one of the most important elements of resource management, achieving short-and long-term goals, as well as for deciding on the success or failure of any venture (Kozioł-Nadolna, Katarzyna, & Wiśniewska, 2020). Daft (2008) defined decision making as the process of identifying problems and opportunities and then resolving them. It should be emphasized that decision-making occurs at every level of management, and concerns both the top management and all employees in the organization.

Obi and Agwu (2017) claim that effective decision-making impact's organizational goal achievement.

3. Human Resource Policies

The Human Resource function include a variety of activities, and key among them is deciding what staffing needs an organization has and whether to hire staff on contract basis or regular basis to address the needs, recruiting and training the employees, ensuring they are high performers, dealing with performance issues, and ensuring that the organization's personnel and management practices conform to various regulations that are in force. Activities also include managing approach to employee benefits and compensation, employee records and personnel policies.

Human resource (HR) policies are rules and processes that govern the employment relationship between employees. HR policies describe the rights, responsibilities, and expected behaviours of both you and your employees when it comes to working together. An organization's human resources team is often responsible for creating and maintaining HR policies. Most HR policies apply to all permanent, temporary, part-time, and full-time employees within an organization

3.1 Forms of Human Resource Polices

Several policies and practices of Human Resource exist and some of which was discussed here in consonance with the objective of this work. HR policies may exist as written policies, as digital and/or printable policies, and in locations that are easily accessible by employees (e.g. company intranets or shared drives). They are often found in employment contracts, employee handbooks, and company policy manuals. However, the level of detail in each of these will vary (Gibbons, 2021). These policies include: Promotion and transfer policy, Leave and time off policy, Employee conduct policy and Employee exit policy.

3.1.1 Promotion and Transfer Policy

Promotion is an adjustment in status, upward coming about because of task to a position relegated a higher pay grade. Promotion is the progression of employees' position in an authoritative pecking order. Promotion could be seen as employees' prize for good execution or positive action. Management in an organization elevates an employee to a specific position, it guarantees that the individual can deal with the additional duties by screening the worker with meetings and tests, and giving them preparing or at work experience. (Mirza, 2003).

The aim of promotion policy will include the following: to guarantee that all administration positions are kept an eye on by work force having the imperative capabilities, introduction and ability. To incorporate the desires for development and improvement of officers with the present and future necessities of the corporation. To guarantee value, reasonableness and objectivity in matters identifying with advancement.

3.1.2 Leave and Time-off Policy

An attractive employer-sponsored benefits program makes it easier for organizations to retain and attract great employees. According to the Society for Human Resource Management (2008) Job Satisfaction survey report, employee benefits are one of the most important job satisfaction factors for employees. Leave and other employee benefits are important tools in the retention efforts for the current and future workforce. Leave benefits encompass paid and unpaid time off from the workplace for a variety of activities ranging from vacation and sick leave to bereavement leave and jury duty (Society for Human Resource Management, 2008). Employee Conduct Policy Ethics codes are as old as antiquity. They often capture a vision of excellence, of what individuals and societies should be striving for and what they can achieve. When applied to certain classes of people: public servants, doctors – codes are the ultimate terms of reference. They are the framework upon which professions are built. Employee conduct covers issues bothering on harassment, sexual harassment, conflict of interest, confidentiality and non-disclosure, working hours and dress code.

3.1.3 Employee Exit Policy

The purpose of this policy is to outline the ways in which a working relationship can be terminated either by the employer or employee and to lay out the procedure on how exits from the organization will be managed. Exits deal with resignations, terminations,

retirements, completion of fixed-term contract and dismissal. In Nigeria, termination of service can only be carried out in case of gross misconduct or negligence from the staff member and disciplinary action is adequately carried out resulting in termination of employment. Similarly, the service of an employee may be terminated as a consequence of restructuring, job elimination, and economic downturns in funding or lack of work. All benefits associated with such terminations will be provided to the employee.

After critical review of literature, the following hypotheses were developed and stated in null form as:
 H₀₁: Human resource management policies have no significant impact on industrial harmony
 H₀₂: Human resource policies (promotion and transfer policies, leave and time-off policies, employee conduct policies and employee exit policies) have no significant impact on industrial harmony.
 H₀₃: Human resource policies (promotion and transfer policies, leave and time-off policies, employee conduct policies and employee exit policies) have no significant impact on decision making.
 H₀₄: Decision making does not impact on industrial harmony.

4. Theoretical Framework

This study was based on two theories: the human relations approach and the guest model. The human relations approach views human as people with feelings that have expectations in workplace. This approach provide an advantage for both manager and employees to act rightly in all situations. Also, making the right decision is related to the internal and external factors on how people perceived the behaviour of themselves and other people. With the guest model organizations can achieve high employee performance, stronger problem solving, reduce employee turnover, achieve greater goals and improve cost in an effective manner by adopting a coherent strategy of human resource practices properly integrated with the business strategy (Marsden, 2002). Thus, having the appropriate human resource policies or approach is essential in improving employee performance and effective decision-making.

5. Methodology

This section describes the research design, population, sample and sampling techniques, the research instrument, operationalization and measurement of variables, model specification, sources of research data, and the method of data analysis.

5.1 Research Design

Saunders et al., (2007) defined a research design as the means intended to conduct the work. The survey research allows for a sizeable amount of reliable data to be collected as it involves the sampling of representatives of the population to proffer solutions to research questions (Bryman & Bell, 2015). Thus, the survey research design was adopted for this study.

5.2 Population, Sample Size and Sampling Technique

The population of this study consist of all one hundred and seventy-five (175) staff of the Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State. The population was gotten from the records department of the Ministry as at 2022. The choice of the Ministry is based on ease and accessibility to getting information. In determining the sample size for this study, the Taro Yamane formula for sample size determination was employed on both firms. The Taro Yamane formula is given below:

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

Where n = Sample size
 N = Population size
 E = Sampling error which is usually ± 5%

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

$$n = \frac{175}{1+175(0.05)^2} = 122$$

Thus, the sample size for this study consisted of 122 respondents from the Ministry of Finance and Ministry of Budget/Planning in Benin City, Edo State. The study adopted the stratified and simple random sampling technique. The stratified sampling technique ensured all employee from all department were captured in the study; thus, they were divided into strata. While the simple random sampling ensured that all employees had a fair and equal chance of been selected into the sample.

5.3 Research Instrument, Validity and Reliability of Research Instrument

Bryman (2012) asserted that data collection and analysis are reliant on the methodological approach used. Since the survey research involves the collection of primary data, the questionnaire response format was the data collection instrument. Primary data are the first-hand experience collected data that are reliable, authentic, and objective (Kabir, 2018). The structured questionnaire was the intended means of collecting data from respondents. Using a five point Likert scale, (1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5= strongly agree).

The basic requirement for a good measurement is content validity, which means that the measurement items in an instrument cover the major content of a construct (Churchill, 1979). Thus, a pilot study was conducted and reviewed by three academics to comment on the appropriateness of the research constructs. Based on their feedback, redundant and ambiguous items was either modified or eliminated. While Cronbach's alpha which measures the internal consistency among indicators, had a high value of 0.86.

5.4 Model Specification

Three models were developed: first, the model that explains the functional relationship between human resource policies and industrial harmony; second, the model that explains the functional relationship between human resource policies and decision making; and lastly, the model that explains the relationship between industrial harmony and decision making. With the aid of SMART PLS software, the three models were regressed. The models for the study were therefore stated functionally as:

Model 1:

Human Resource Policies (HRP) and Industrial Harmony (IH)
 $IH = f(PTP, LTP, ECP, EEP)$ (3.1)

Econometrically, the model can be specified as:
 $Ihi = \alpha_0 + \alpha_1 PTP_i + \alpha_2 LTP_i + \alpha_3 ECP_i + \alpha_4 EEP_i + \xi_i$ (3.2)

Where:

- IH = Industrial Harmony
- PTP = Promotion and Transfer Policies
- LTP = Leave and Time-off Policies
- ECP = Employee Conduct Policies
- EEP = Employee Exit Policies
- ξ = Error term
- A priori sign/ expectation: $\alpha_0 > 0, \alpha_1 > 0, \alpha_2 > 0, \alpha_3 > 0, \alpha_4 > 0$ (3.3)
- α_0 = Parametric constant
- $\alpha_1, \alpha_2, \alpha_3, \alpha_4$ = Parametric coefficient

Model 2:

Human Resource Policies (HRP) and Decision Making (DM)
 $DM = f(PTP, LTP, ECP, EEP)$ (3.4)

Econometrically, the model can be specified as:
 $Dmi = \alpha_0 + \alpha_1 PTP_i + \alpha_2 LTP_i + \alpha_3 ECP_i + \alpha_4 EEP_i + \xi_i$(3.5)

Where:

- DM = Decision Making
- PTP = Promotion and Transfer Policies
- LTP = Leave and Time-off Policies
- ECP = Employee Conduct Policies
- ξ = Error term
- A priori sign/ expectation: $\alpha_0 > 0, \alpha_1 > 0, \alpha_2 > 0, \alpha_3 > 0, \alpha_4 > 0$ (3.6)
- α_0 = Parametric constant
- $\alpha_1, \alpha_2, \alpha_3, \alpha_4$ = Parametric coefficient

Model 3:

Industrial Harmony (IH) and Decision Making (DM)
 $IH = f(DM)$ (3.7)

Econometrically, the model can be specified as:
 $Ihi = \alpha_0 + \alpha_1 Dmi + \xi_i$ (3.8)

Where:

- IH = Industrial Harmony
- DM = Decision Making
- ξ = Error term
- A priori sign/ expectation: $\alpha_0 > 0, \alpha_1 > 0$ (3.9)
- α_0 = Parametric constant
- α_1 = Parametric coefficient

5.5 Data Analysis and Presentation

This section contains subsections discussing the statistical analysis employed in determining the convergent and discriminant validity, assessing validity, validation of second order construct and confirmatory factor analysis.

Exploratory Factor Analysis

The Table below illustrates a very clean factor structure in which convergent and discriminant validity is evident by the high loadings within factors, and there were cross-loadings between factors which have been expunged.

Table 1 shows the factor loadings for each of the factor.

Table 1: Pattern Matrix

| Item | F1-PTP | F2-LTP | F3-ECP | F4-EEP |
|-------------------------------|--------|--------|--------|--------|
| HR Policies | | | | |
| PTP1 | 0.785 | | | |
| PTP2 | 0.762 | | | |
| PTP3 | 0.651 | | | |
| PTP4 | 0.728 | | | |
| PTP5 | 0.818 | | | |
| PTP6 | 0.677 | | | |
| PTP7 | 0.747 | | | |
| LTP1 | | 0.680 | | |
| LTP2 | | 0.728 | | |
| LTP3 | | 0.779 | | |
| LTP4 | | 0.730 | | |
| LTP5 | | 0.813 | | |
| ECP1 | | | 0.833 | |
| ECP2 | | | 0.804 | |
| ECP3 | | | 0.747 | |
| ECP4 | | | 0.702 | |
| ECP5 | | | 0.779 | |
| EEP1 | | | | 0.625 |
| EEP2 | | | | 0.782 |
| EEP3 | | | | 0.758 |
| Item | | | | |
| (b) Decision-Making | | | | |
| | F1-DM | | | |
| DM1 | 0.829 | | | |
| DM2 | 0.663 | | | |
| DM3 | 0.799 | | | |
| DM4 | 0.790 | | | |
| DM5 | 0.697 | | | |
| DM6 | 0.800 | | | |
| Item | | | | |
| (c) Industrial Harmony | | | | |
| | F1-IM | | | |
| IM1 | 0.795 | | | |
| IM2 | 0.734 | | | |
| IM3 | 0.760 | | | |
| IM4 | 0.742 | | | |
| IM5 | 0.770 | | | |

Source: Researchers' computation (2024)

Assessing Validity

The reliabilities of human resource policies, decision making and industrial harmony were assessed with Cronbach's Alpha. The table below report means, standard deviations, correlations, and reliability values for each of construct. The reliability values for all constructs are all greater than .70, and this is considered acceptable (Nunnally, 1978).

Table 2: Means, standard deviations, correlations and reliability of (a) HR Policies (b) decision making and (c) industrial harmony

| Variables | Mean | SD | 1 | 2 | 3 | 4 | 5 | Reliability |
|----------------------------------|------|-------|--------|--------|--------|---|---|-------------|
| (a) HR Policies | | | | | | | | |
| 1. Promotion & Transfer Policies | 4.29 | 0.454 | - | | | | | 0.780 |
| 2. Leave and Time-off Policies | 4.02 | 0.445 | 0.219* | - | | | | 0.737 |
| 3. Employee Conduct Policies | 4.26 | 0.511 | 0.092 | 0.211* | - | | | 0.750 |
| 4. Employee Exit Policies | 4.35 | 0.002 | 0.123 | .235** | .282** | - | | 0.799 |
| (b) Decision-Making | | | | | | | | |
| 1. DM | 4.37 | 0.645 | - | | | | | 0.722 |
| (c) Industrial Harmony | | | | | | | | |
| 1. IM | 4.20 | 0.559 | - | | | | | 0.704 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Test of Hypotheses

The results of the proposed structural equation model analysis are presented in Table 3 indicating support for the hypotheses.

Table 3: Result for proposed structural equation model

| Hypothesis | Relationship | t-statistics | p-value | Result |
|------------|--------------|--------------|---------|-------------|
| H1 | PTP-IH | 2.113 | .035 | Supported |
| | LTP-IH | 5.379 | *** | Supported |
| | ECP-IH | 3.649 | *** | Supported |
| | EEP-IH | 2.169 | .030 | Supported |
| H2 | PTP-DM | 7.159 | *** | Supported |
| | LTP-DM | 5.728 | *** | Supported |
| | ECP-DM | 8.872 | *** | Supported |
| | EEP-DM | 1.875 | .061 | Unsupported |
| H3 | DM-IH | 2.177 | .030 | Supported |

Source: Researchers' computation (2024)

The statistical significance of Hypothesis 1 confirms that human resource policies have significant impact on industrial harmony. Our report shows that all the variables of HR policies individually affect industrial harmony positively with a t-value above 1.96 as above. Specifically, Table 3 revealed that there is a positive and significant influence of HR policies on industrial harmony. However, we can state that the impact of each of the variables differ. For instance, leave and transfer policies effect on industrial harmony had the largest impact, followed by employee conduct policies, then employee exit policies and promotion and transfer policies.

Hypothesis 2 is supported except for employee exit policies that has no significant relationship with decision-making. The result shown above reads that each of the variables of HR policies has a significant impact on decision-making except for one. From the result, we found that the level of impact on decision-making varied with level of employee conduct policies having the greatest impact followed by promotion and transfer policies and leave and transfer policies. That is to say, their t-values were all above 1.96 and $P < 0.05$. For employee exit policies, the t-value though almost a bit on the borderline or threshold of 1.96, was found not to be significant.

Hypothesis 3 is supported stating that there exists a significant relationship between decision-making and industrial harmony. With a t-value of 2.177, we concluded that the impact of decision-making on

industrial harmony is statistically significant and positive

6. Discussion of findings

The study has shown that HR policies forms a second-order construct composed of the first-order constructs of promotion and transfer policies, leave and time-off policies, employee conduct policies and employee exit policies - the four major components of HR policies consideration. Through the analysis of the relationship of HR policies constructs with decision making and industrial harmony, it was demonstrated that HR policies impact directly on both decision making and industrial harmony. This supports the findings of Barbara, Amah, and Okocha (2021) and Sholokwu and Owor (2016) that confirmed that human relations policies positively impact on industrial peace and harmony in an organization. Barbara, et al (2021) supported the findings of this research by establishing that human relations influence the peace and harmony of an organization, and therefore recommended that management be attentive to organizational conflict, as well as engage interactive sessions, good communication skills, and other strategies to preserve a cordial relationship, co-operation, and high productivity in the organization. Onimole, Akinseye and Adebuseye (2020) found that most organization conflicts and industrial disharmony result from lack of knowledge and proper understanding of the facts due to inadequate or complete absence of communication. Likewise, Onimole, Akinseye and Adebuseye (2020) findings supports this study's outcome that a sound

basis of employer-employee relations which is essential for industrial harmony is the creation of a well-established understanding that the two parties are in the pursuit of a common goal and that in this pursuit, their roles are complementary. MacCrimmon (1974) and Rollinson (2008) supports and highlights those perceptions, personality, attitude towards risks, and ethics and values can strongly influence the way top management view a problem and as such are likely to influence the decision-making process.

Based on the second hypotheses, the result reads that each of the variables of HR policies has a significant impact on decision-making except for one. The study found that employees will remain loyal to the organization if there is a form of participation or involvement in decision making, especially those that affect their work performance. Also, the employees acknowledge the use of suggestion box to channel their complaints. The study found that the level of impact on decision-making varied with level of employee conduct policies having the greatest impact followed by promotion and transfer policies and leave and transfer policies. Obi and Agwu (2017) that the chief executive and top management of an enterprise must seek broad spectrum of input from both inside and outside sources to make good decisions that would move the organization forward, especially with respect to the formulation and implementation of human resource policies.

Hypothesis 3 is supported stating that there exists a significant relationship between decision-making and industrial harmony. Participation of employees in decision-making processes has resulted in successful value creation in many organizations; though the extent to which employees should participate in organizational decision making is still a matter of debate (Irawanto, 2015). Employee involvement is one of the important aspects of organizational life to achieve increased organizational effectiveness and positive employee perceptions (Phipps et al., 2013). A study by Tamunosiki and Sorbarikor (2018) noted that employee involvement in decision making influences workplace harmony in manufacturing companies in Port Harcourt, Nigeria.

7. Conclusion

This study provides empirical justification for a framework that identifies four key dimensions of HR policies and describes the relationship among HR policies, decision making, and industrial harmony. It examines three hypotheses which in the process assessed the validity and reliability of the instrument used. This study provides empirical evidence to

support conceptual and prescriptive statements in the literature regarding the impact of HR policies. We can conclude that all variables have statistical significance excluding employee exist polices, thus, there exists a significant relationship between HR policies, and decision making, and industrial harmony.

On the bases of findings of the study and conclusion, the following recommendations for policy making and further studies are made:

- Management needs to improve on the level of job involvement of employee in the decision-making process especially those human resource policies that affect them as this would eliminate any form of discrimination to a minimum.
- Organizations should frequently interact with employee to set reliability, responsiveness, and other standards. Top management must key into this innovative idea and support it all the way.

The followings are suggested for future study:

- This study can be expanded in terms of its geographical scope to include other public organizations in the state and country.
- A comparative study can also be done between public and private organizations in the state and country.

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