

# The Impact of Human Relations Practice on Organizational Performance

## Evidence From Rural Banks in Ghana

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**Abstract** – Human relation is a definitive management function which help to establish and maintain a mutual line of communication, understanding, acceptance and cooperation between and organization and its human. The purpose of the study was to investigate the impact of human relations practices on organizational performance in selected Rural Banks in the Ashanti Region of Ghana. The study used a quantitative research approach and a non-probability sampling method. The demographic data was evaluated using frequencies and percentages, while the Statistical Package for Social Sciences (SPSS) version 26 was used for the analysis. The study found that effective human relation practices and policies have a significant positive impact on employee satisfaction and ultimately improve the overall organizational performance of banks in the rural areas. It was recommended that organizations should educate their employees on the importance of human relations and how it can improve productivity. Also, management of the selected rural banks should prioritize employee engagement, by creating a positive work environment, providing job security and opportunities for training and development.

**Keywords** – Human Relations Practice, Employee Satisfaction, Organizational Performance

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## 1 Introduction

The success of the organization's goals depends heavily on human relations in every organization. All organizations must maintain excellent human relations in order to continue operating (S. Sankar et al., 2019). Prior to the human relations movement, workers were viewed as machines. It is crucial to note that human relations movements in the 1900s were historical occurrences that had an impact on the transformation of personnel management into human resource management. Human relations are the first important strategy to emphasize information about the working environment and job happiness. Human relations are the art and practice of utilizing scientific knowledge and human behavior to accomplish organizational and individual goals, according to F. Gheitarani (2023). J. Mededovic (2023) in similar vein believes that human relation, being a behavioral science deals with interpersonal, inter-work group and management of employee's relationship in a social system seem to be the only tool for organizational productivity and development. The reason is not far-fetched since effort of Elton Mayo and his research colleagues in the 1920s on behavioral approach to management succeeded to have yielded much more analysis in terms of the chicken-egg relationship between human relation and performance in an organization. Human relation is the integration of people to work into a situation in a way that will motivate them to work together, productively and cooperatively with economic, psychological and social satisfaction (JM Shine et al., 2019). This means that, paying attention to the human elements enhances productivity and performance.

Notwithstanding the glaring importance of human relation on the realization of organizational goals, one still hears the complain of poor performance of both employees and employers in an organization especially the banking sector even till this day (X Vives 2019, D Vukovic et al., 2022). Besides employee can resign as a result of executive harshness and autocracy, employees having their appointment terminated due to poor performance or failure to perform, the organization may fold up due low productivity, poor employees and employers' relationship, inability to meet the organizations set targets or mismanagement (F. Montaniet al., 2022). A "People Business" has always been and always will be banking. Price is crucial, but there may be other good reasons why customers choose and stick with a specific bank. Particularly in transparent conditions with a high level of competition, rural banks must make an effort to stand out by developing their own niches or identities. Customer happiness will become increasingly important to banks' ability to survive. It will be challenging for those that fall short of client expectations to survive. To draw and keep certain consumer segments, banks must define and promote their basic values. The bank's human resource would be the one to promote values like "sound," "reliable," "creative," "close," "socially responsible, (M Maiti et al., 2022). To address these gaps, the study seeks to investigate the impact of human relation practice on the organizational performance of selected rural banks, it is very important to identify some objective to guide the

trend of this study, in this regard, the study out-lined these research objectives.

1. To identify the benefit of Human relation practice and policies in the selected rural banks.
2. To examine employee satisfaction on human relation policies, practices and program of the selected rural banks.
3. To identify the challenges of managing human resource of the selected rural banks.

## 2 Literature Review

### 2.1 The Concept of Human Relations Practices

Although empirical study on HRM in Uruguay is still in its infancy, what little is known about it has revealed a number of regularities. A first noteworthy observation relates to the apparent progressive professionalization of HRM procedures among medium and big companies over the past 20 years, with no clear drivers of such trend yet identified. In fact, H Khan et al., (2021) reports that the current observed heterogeneity of HRM practices among firms is in stark contrast to the "simple management profile" that predominated in the 1990s, even among the largest companies, and was characterized by employer-employee relations focused on short-term goals, infrequently observed formal systems of performance-evaluation, and administrative/bureaucratic HHRR departments despite the fact that their relevance is found to be greater than that of other departments.

These studies indicate that hiring and training procedures have been used more frequently than using financial incentives based on individual or team success in the past and present. However, the patterns vary between firms depending on a number of characteristics, including family ownership, corporate character, size, sales market, or economic sector. It also depends on whether or not the firm has a department for human resources (HHRR). Large corporate, non-family-owned businesses that operate in the service industry and/or are focused on the global market tend to have a higher level of formality and professionalism in their HRM (C.J Collins, 2021, H.H Mahadamin et al., 2019).

Only Font has studied the connection between organizational/economic performance and HRM (2010). Firm performance is evaluated in relation to specific HRM practices, including hiring, training, performance evaluation, and monetary rewards. Firm performance is measured as the self-ranking relative to its competitors in terms of profitability, labor productivity, and product/service quality. In order to create indicators of "best practices" (complementary practices among various policies), Font also takes into account a number of additional features that are grouped using factor analysis. These indicators in turn help to create significant clusters of firms. The four configurations produced cannot be clearly ranked in terms of "best practices," with the exception of the firms in the cluster designated as "low-profile," even though the general

finding indicates that professional HRM is associated with improved firm economic/organizational performance. Based on some apparent "theoretical and normative" inconsistencies in the previously estimated managerial typologies for the Uruguayan case (C.J Collins, 2021). H.H Mahadamin et al., (2019) proposed that the institutional framework of labor relations as a whole, and in particular the role played by HR departments in relation to trade unions, influence the relationships between HRM practices and performance. Furthermore, they suggest that the structure of bargaining and its continuity over time also have a significant impact. The additional insights offered in Font (2010) also point in that direction.

## 2.2 The Concept of Organizational Performance

Several researchers have different definitions of performance. The topic of organizational performance is still divisive in the management research community. Performance is compared to the well-known 3Es of a particular program of activity—economy, efficiency, and effectiveness (M. Alshurideh et al., 2022). Organizational performance includes three distinct aspects of business outcomes, according to M. Alshurideh et al., (2022): financial performance (profits, return on assets, return on investment, etc.), product market performance (sales, market share, etc.), and shareholder return (total shareholder return, economic value added, etc.). Organizational performance is the capacity of the organization to achieve its objectives by making effective and efficient use of its resources. Organizational performance can be defined in a study as the actual output or results of an organization when compared to its anticipated outputs, or goals and objectives. Performance and productivity should not be confused; productivity, according to JR Hanayshaet et al., (2022), is a ratio that shows how much work can be done in a certain amount of time. Performance is a more general metric that can encompass quality, consistency, effectiveness, efficiency, and other elements in addition to productivity.

## 2.3 The Concept of Organizational Performance

G. Anwar et al., (2021), FNK Otoo, (2019) and AA Alshammari, (2020), have made comprehensive reviews of the seminal work on the relationship between HRM practices and firm performance as done in banking in the service sector. In turn, conducted an early and influential study that introduced the concept of complementarities as applied to HRM practices (AA Alshammari, 2020). The literature to date has generally provided supportive evidence on the existence of positive linkages between at least one specific dimension of firms' economic performance and certain HRM practices, even in the case of small and medium size units (Way, 2002).

Due to its strong emphasis on a subset of these practices that would operate as "best practices", supposedly superior to more traditional ones (and with a theoretical rationale behind it), much of this literature has been equated with a "universalistic perspective". The logic posed assumes that the relationship

found can be generalized to any con-text, developing a set of 'High Performance Human Resources Prac-tices' (HPP) with a progressive impact on organizational performance (G. Anwar et al., 2021).

In a somewhat parallel logic, but less universal in its claim, the config-urational approach argues that firm performance is dependent on the effective combination of some HRM practices and how these practices are “bundled” together, examining the impact of different bundles on different levels and dimensions of outcomes (G. Anwar et al., 2021, FNK Otoo, 2019and AA Alshammari,2020), in which selected or spe-cific HRM practices have a consistent configuration that reinforces their impact. These bundles are at times used to define diverse 'work systems' and in some of the literature there is a normative and ideal type componentas in the pre-existing management profiles approach. In this case, the focus had been set on the characterization of man-agement profiles according to the presence/absence of specific practices within the mentioned categories and on the assumption that they have a differential impact on performance (F. Gheitarani 2023).

In terms of empirical research, Perry-Smith and Blum (2000) argue that HRM bundles capture broader effects than those captured by single individual practices or than clusters of individual practices com-bined in an additive manner, given the latter would be unable to ac-count for synergistic complemen-tarities, a concept that is particularly relevant for investigating firm- level effects. In addition to the two aforementioned approaches, the contingency perspective argues that HRM policies must be consistent and aligned with other organizational aspects in order to be effective and that a fit must exist between the HRM strategy, the general business strategy and the external envi-ronment in which the firm operates. That is, complementary practices per se (horizontal fit) do not suffice to explain firm performance and they should be thus matched to the organizations' strategy (vertical fit) in order to build a case (M. Jawaad et al., 2019)

The growing acceptance on the existence of a HRM-organizational performance relationship that depends on contextual factors is how-ever not coupled to the empirical evidence reported to date. Recent work done by H. Khan et al., (2021) is an example that when these variables are considered, calculative and not collaborative practices may be prevalent. In fact, much of the existing empirical evidence on the actual adoption levels of HPP, shows that many workplaces in effect combine a number of traditional personnel practices coupled with intermediate levels of adoption of HPPs and that they perform better than those without them. However, these studies cannot ac-count as to why most employers settle on partial adoption of some of these high-level HPPs unless recognizing that the significant gains they yield could be partially offset by their associated costs, that are rarely reflected in the performance measures used by researchers (C. Dehlendorf et al., 2023).

A significant contingency variable, particularly relevant when studying Banking, refers to differences in HRM and its effects on performance depending on firm-size. When considering smaller firms and individual practices, a number of studies examine the “sophistication” and/or “formalization” of HRM practices (M. Aboramadan et al., 2019). As de Kok and Uhlaner (2001) and de Kok et al. (2006) have argued based on entrepreneurial research, smaller

organizations and family businesses are more likely to operate in an informal and flexible manner than are larger firms, replicating these patterns of informality in HRM practices. For instance, Koch and McGrath (1996) find that, in general, company size is positively related with the incidence of HRM planning and formal training, and with the level of overall HRM sophistication

## 2.4 Concept of Organizational Performance

Employees are the cornerstone of human resource management's tools and marketing strategy, as demonstrated above. Employee happiness is one of the most important success factors in this area. According to Spector, employee satisfaction is defined as "the degree to which people like their job" when referring to how satisfied employees are with their employers.

In the field of human resource management, there are two goals that are linked to employee happiness. Employee satisfaction grows in relation to work performance and content, on the one hand (work satisfaction). On the other hand, pride in the employer organization itself grows. Definitions in literature tend to emphasize one perspective over another. Owing to the thesis's emphasis on an organization's HRMM approach and the organizations position on labour market especially satisfaction with the employer organization is regarded.

According to Griffin, (2019), an employee's feeling of satisfaction with the employer organization refers to the employer as a whole, not just to the employee's position within the company. To speak of employee satisfaction with the entire organization in this context, three key criteria must be taken into account. The employee must, first and foremost, accept and support the business's overarching goals. Second, the individual is eager to perform above expectations on a daily basis. Thirdly, the worker feels compelled to continue working for the company. The frequency and degree of these three elements can differ. All of these elements do, however, have one thing in common: they all serve to tie an employee to a firm and help it achieve its overarching objectives (F. Gheitarani 2023).

In this context, it must be understood that everyone experiences fulfillment differently. All employees cannot be satisfied by the same item, as noted by Diener and Lucas. When something is used to gratify one person, it may leave another person unsatisfied. It becomes apparent at this point that satisfaction is a very complicated issue and psychological phenomenon because it depends on a variety of experiences (such as the experience of joining an organization), personal judgments and expectations of the employer organization, and personal beliefs. But what frequently happens with disgruntled employees is that they have a propensity to look elsewhere for satisfaction. Giving notice to their current job or leaving the unsatisfactory organizational structures of their current company are two ways to do this within a new employer's organization.

Moreover, contentment is viewed as a target-performance comparison in relation to the target group's expected working environment and the target group's actual working environment (employees). In this case, the target

group is content when their expectations are met by their view of the current work environment. Employee happiness is determined by evaluating how the job is conceptualized and how it is really experienced. A happy or optimistic emotional state is what is meant by the word satisfaction. The management of an organization's grasp of human resource management is the major factor in employee happiness. Here, several managerial duties including hiring, employee management, retention, and compensation play a significant impact and influence various performance levels inside the businesses. Management may considerably improve a company's human resource management procedures by keeping track of employee satisfaction levels there. Employee satisfaction improves everyday performance, which boosts the effectiveness of the entire organization.

### 3 Methodology

#### 3.1 Participants, Procedure, and Measurement

The study adopted a quantitative research approach and respondents were selected mainly from Juaben Rural Bank, Bosomtwe Rural Bank, and Odotobri Rural Bank in Ashanti Region, Ghana. This study participants were employees and management of the selected banks. A total of 160 respondents were randomly contacted to participate in the survey. The study adopted a descriptive design approach. Purposive sampling was used in this study to pick respondents from a variety of departments who were knowledgeable about the implementation of e-procurement. The main data collection instrument used for the study is questionnaire administration with the selected sample population. The main data collection instruments used for the study are primary data and questionnaire administration which were also subsequently analyzed via SPSS version 26.0.

### 4 Results

The demographic characteristics of the respondents per the study are shown in Table 1. From the representation, most of the respondents were male, since they recorded 39 of the responses representing 65% while female was 21 also representing 35% of the responses. As from this depiction, majority of the employees are male as studied in the Bosomtwe rural bank.

Table 1: Gender of Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	39	65.0	65.0	65.0
	Female	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	Secondary Edu- cation	2	3.3	3.3	3.3
	Diploma/HND	8	13.3	13.3	16.7
	First Degree	37	61.7	61.7	78.3
	Master's Degree	13	21.7	21.7	100.0
	Total	60	100.0	100.0	

Source: Primary data (2023)

In table 2, out of the 60 responses, majority of the respondents 37 representing 61.7% were First degree holders where 13 representing 21.7% were Master's degree holders, 8 of the respondents making up to 13.3% were Diploma/HND while 2 of the respondents representing 3.3% are other ordinary Secondary education holders. This was an indication that indeed most employees working in Bosomtwe Rural Bank are highly qualified and therefore well suited to serve in their respective fields in the organization. This means that the organization has properly trained staff who are likely to perform better in their employment.

#### 4.1 Benefits of Human Relation Practice and Policies

**Table 2:** Human relations practices facilitate cooperation among staff

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	10	16.7	16.7	16.7
	5.00	9	15.0	15.0	31.7
	6.00	26	43.3	43.3	75.0
	7.00	15	25.0	25.0	100.0
	To- tal	60	100.0	100.0	

**Table 3:** Management has a standard of operation in the institution

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	3.00	2	3.3	3.3	3.3
	4.00	10	16.7	16.7	20.0
	5.00	12	20.0	20.0	40.0
	6.00	24	40.0	40.0	80.0
	7.00	12	20.0	20.0	100.0
	To- tal	60	100.0	100.0	

As indicated in the above table, majority of the respondents 40% agreed that there is availability of I.T infrastructure in their organization. 20% of the respondents strongly agree to the statement though 20% fairly or partially



agreed, 16.7% were average and 3.3% of the respondents fairly or partially disagreed.

**Table 4:** There is teamwork and coordination

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	3.00	2	3.3	3.3	3.3
	4.00	8	13.3	13.3	16.7
	5.00	17	28.3	28.3	45.0
	6.00	15	25.0	25.0	70.0
	7.00	18	30.0	30.0	100.0
	To- tal	60	100.0	100.0	

Majority of the respondents strongly agreed that, I.T is often inculcated in their organization's operations by 30% though 25% of the respondents agreed, 28% were fairly or partially agreed, 13.3% neither agreed nor disagreed and 3.3% of them fairly or partially disagree.

**Table 5:** Customers are satisfied with services offered to them at the bank

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	2.00	4	6.7	6.7	6.7
	3.00	4	6.7	6.7	13.3
	4.00	5	8.3	8.3	21.7
	5.00	9	15.0	15.0	36.7
	6.00	20	33.3	33.3	70.0
	7.00	18	30.0	30.0	100.0
	To- tal	60	100.0	100.0	

The study findings unveiled that 33.3% of the respondents indicated that the organizations interact with their customers via internet or structured network while 30% of the respondents strongly agreed, 15% were fairly or partially agreed, 8.3% were average, 6.7% fairly or partially disagreed and 6.7% disagreed to the statement.

#### 4.2 Satisfaction with Human Relations Policies, Practices, and Program

**Table 6:** Staff are satisfied with new ideas and policies

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
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Valid	4.00	7	11.7	11.7	11.7
	5.00	5	8.3	8.3	20.0
	6.00	27	45.0	45.0	65.0
	7.00	21	35.0	35.0	100.0
	To- tal	60	100.0	100.0	

The study findings also uncovered that majority of the respondents 45% have highly responsive organization. Specifically, 35% of the respondents strongly agreed to the statement though 8.3% fairly or partially agreed and 11.7% were average responses to the study's construct. This demonstrate that, the respondents agreed to the study's construct.

**Table 7:** Staff accept that others value may differ from theirs

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	3	5.0	5.0	5.0
	5.00	10	16.7	16.7	21.7
	6.00	21	35.0	35.0	56.7
	7.00	26	43.3	43.3	100.0
	To- tal	60	100.0	100.0	

The study explored the level to which staff of the selected banks accept that other people's value is different from theirs. The result shows that, 43.3% of the respondents strongly agreed to the statement above, however, 35% of the respondents also agreed to the statement, where 16.7% fairly or partially agreed to the statement, notwithstanding the various responses, 5% of the respondents neither agreed nor disagreed to the statement above.

**Table 8:** The importance of effective communication is recognized

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	8	13.3	13.3	13.3
	5.00	12	20.0	20.0	33.3
	6.00	24	40.0	40.0	73.3
	7.00	16	26.7	26.7	100.0
	To- tal	60	100.0	100.0	

From the table above, the result on the importance of communication is realized is shown above. The responses provide that, 40% of the respondents agreed to the construct above, whereas 26.7% strongly agreed, 20% fairly or partially agreed and 13.3% of the respondents partially agreed that, the importance of effective communication is recognized in the selected banks.

**Table 9:** Employees are satisfied with the measures of operation

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	5.00	18	30.0	30.0	30.0
	6.00	28	46.7	46.7	76.7
	7.00	14	23.3	23.3	100.0
	To- tal	60	100.0	100.0	

In assessing the extent to which employee are satisfied with the measures of operations at the bank, it was shown that, majority of the respondents 46.7% of the respondents agreed to the statement above, whereas 30% also fairly agreed to this statement and finally 23.3% strongly agrees. The result of this statement show that all the responses are above average.

#### 4.3 Challenges of Managing Human Resource

**Table 10:** Employee engagement

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	10	16.7	16.7	16.7
	5.00	9	15.0	15.0	31.7
	6.00	26	43.3	43.3	75.0
	7.00	15	25.0	25.0	100.0
	To- tal	60	100.0	100.0	

The result above provides evident to the responses on employee en-gage-ment. Majority of the respondents 43.3% agreed that, employee engagement is a challenge to human relation, whereas 25% strongly agree to the statement above as a challenge, 16.7% neither agreed nor disagreed to the statement and finally the least responses record-ed 15% who partially or fairly agreed. This shows that, employee en-gagement is a challenge to human relations practices.

**Table 11:** Adapting to remote work

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	2.00	4	6.7	6.7	6.7
	3.00	4	6.7	6.7	13.3
	4.00	5	8.3	8.3	21.7
	5.00	9	15.0	15.0	36.7
	6.00	20	33.3	33.3	70.0

	7.00	18	30.0	30.0	100.0
	To- tal	60	100.0	100.0	

From the result, it indicates that majority of the respondent 20 out of 60 representing 33.3% of the respondents agreed that adapting to remote work is a challenge in the selected bank for this study, where 18 of the responses representing 30% strongly agreed to the statement above, 9 of the responses representing 15% of the respondents partially or fairly agreed to the statement, notwithstanding the responses, 5 of the responses representing 8.3% neither agreed nor disagreed to the statement and 4 of the respondents representing 6.7% partial disagreed and same percentage also disagreed to the construct. Even though some responses were in disagreement with the construct, most or majority of the responses were above average.

**Table 12:** Building a winning culture

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	8	13.3	13.3	13.3
	5.00	12	20.0	20.0	33.3
	6.00	24	40.0	40.0	73.3
	7.00	16	26.7	26.7	100.0
	To- tal	60	100.0	100.0	

The study also explored building a winning culture for the various institutions. The result provided that, out of the 60 responses, 24 of the respondents representing 40% agreed to the construct, 16 representing 26.7% of the respondents strongly agreed to the statement above, 12 of the responses representing 20% fairly or partially agreed and finally 8 representing 13.3% neither agreed nor disagreed. This means that, most of the responses were above average, therefore building a winning culture is a challenge in human relations practice.

**Table 13:** Retaining employees

		Fre- quency	Per- cent	Valid Per- cent	Cumulative Per- cent
Valid	4.00	8	13.3	13.3	13.3
	5.00	12	20.0	20.0	33.3
	6.00	24	40.0	40.0	73.3
	7.00	16	26.7	26.7	100.0
	To- tal	60	100.0	100.0	

From the table above, it provides the result of respondent's opinion to retaining employee as a challenge to human relation practice. Out of the 60 responses, 24 of the responses representing 40% which was the majority agreed to the statement, where 16 representing 26.7 of the respondents strongly agreed, 12 of the responses representing 20% partially agreed and 8 of the responses representing neither agree nor disagree.

#### **4.4 Discussions and Implication**

##### **4.4.1 Human Relation Practice and Policies in the Selected Rural Banks**

Human relations practices and policies in the selected rural banks were analyzed descriptively. From the result provided above, was discovered that, even though some responses were below average, however, majority of the responses were above average which demonstrates the positive influence of the statement provided by this study. The result indicated that, in practicing HR among institutions, the ideal standard or goal is to train employees to have quality HR standards and good work place behavior, this supports the literature that states that; If employees view HPHRMP as benefits received from their organization, they reciprocate those benefits by engaging in various positive attitudes and discretionary role behaviors (Vu, Nguyen & Le, 2020) to support organizational goals (Vu et al., 2020). The logic posed assumes that the relationship found can be generalized to any context, developing a set of 'High-Performance Human Resources Practices' (HPP) with a progressive impact on organizational performance (G. Anwar et al., 2021). This has been demonstrated by the result of the study as it indicates a positive relationship between the outcome variable (Performance). It was shown that firms have an outstanding benefit when much attention is directed to HR in their various organizations.

##### **4.4.2 Employee Satisfaction on Human Relation Policies, Practices and Programs of the Selected Rural Banks**

The study seeks to explore how satisfied staff or employees are concerning HR practices and policies. The result showed a positive outcome, literature has provided when HR is practiced to the required standard and if it's been given the needed attention, then measure and things that will be proposed will gently be accepted by both the employees and the decision-makers as they may be part of the decision-making process. According to Griffin, (2019), an employee's feeling of satisfaction with the employer organization refers to the employer as a whole, not just to the employee's position within the company. To speak of employee satisfaction with the entire organization in this context, three key criteria must be taken into account. The employee must, first and foremost, accept and support the business's overarching goals. Second, the individual is eager to perform above expectations daily. Thirdly, the

The Impact of Human Relations Practice on Organizational Performance: Evidence From Rural Banks in Ghana

worker feels compelled to continue working for the company. The frequency and degree of these three elements can differ. All of these elements do, however, have one thing in common: they all serve to tie an employee to a firm and help it achieve its overarching objectives (F. Gheitarani 2023).

#### **4.4.3 The Challenges of Managing Human Resources of the Selected Rural Banks**

One relevant aspect which the study explored was the challenges an organization may encounter while implementing human relations practices. The result provided that, the majority of the respondent responded that, notwithstanding the enormous contributions of HR in their institution, there are still some impediments to achieving HR goals, which has made things very tough in executing such practices. There is now a tendency for handling workplace disputes internally and avoiding the union negotiating process as a result of general changes in the way workplace relations are constituted (Currie et al., 2017, p. 505). Furthermore, inadequate budgetary allocations towards HR, lack of commitment from management and limited access to relevant training opportunities were highlighted as the main challenges in managing human resources in the rural banks. The study uncovered that the challenges faced by rural banks in managing their human resources include limited budgetary allocations towards HR, lack of commitment from management, and limited access to relevant training opportunities (Widyastuti & Ayu, 2020).

## **5 Conclusion And Recommendation**

In conclusion, this study has made a contribution to the body of knowledge examining the impact of human relation on performance in some selected rural banks in the Ashanti region of Ghana. Also, this study has emphasized how crucial human relations procedures are to raising staff productivity. Employee performance would be impacted by the HRM Practices variables of remuneration, job security, training and development, and promotion. Also, the management of public sector firms would benefit from having engaged employees, and these organizations are urged to pay close attention to HRM practices in order to improve employee performance. According to the findings of the current study, new human relations methods are a crucial instrument for the banking sector. As a result, the Ministry of Finance and Bank of Ghana should foster innovation across all ministries to promote HRM strategies. The performance of a firm was a dependent variable (DV) that was statistically significantly impacted by the direct effect human relations as an independent variable (IV). Therefore, it can finally be said that, human relations have a significant effect on organizational performance in the banking sector. This study explored the impact of human relations on performance among some selected rural banks

in the Ashanti region, after further discussions and findings, some few recommendations are outlined for decision makers, students and future researchers. Since human relations have a significant benefit on firms' performance, it is recommended that, organizations should educate their employees on the importance of human relations and how it can improve productivity. Secondly, the management of the selected rural banks should prioritize employee engagement, by creating a positive work environment, providing job security and opportunities for training and development. Thirdly, it is also recommended that, managers of the selected banks should consider implementing HRM practices such as regular staff training and development, job security, promotion opportunities, and fair remuneration to enhance employee productivity. Moreover, decision-makers such as the Ministry of Finance and Bank of Ghana should create policies that support innovative HRM strategies in the banking sector. Finally, future researchers should consider replicating this study in other regions of Ghana to further establish the impact of human relations on organizational performance.

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