

An Investigation into the Relationship between Human Resource Development on Organizational Performance a Case Study of United Bank for Africa-Sierra Leone (UBA-SL)

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Abstract: Organizational performance depends on the quality of its human resources and the human resources development strategy being an integral part of organizations' strategic plan and its practicability. Hence, this study was aimed at assessing the effectiveness of human resource development on organizational performance at the United Bank for Africa (UBA).

For this study, the scope was approximately 5 years and 100 employees who were randomly selected from a population of 135 to provide answers with the use of questionnaires and interviews, and also descriptive tools were adopted for data analysis.

Findings revealed that over ninety percent (90%) of the respondents strongly believed that the bank has a training policy which show a commitment in training awareness in the bank and majority of these respondents believed that the trainings conducted are designed to support the achievement of the bank's goals and strategy.

The study further recommended that the Bank should capacitate employees in order to improve performance, and also adopt an attractive reward system to retain key staff.

Keywords: Human Resource Management, Human Resource Development, Performance

I. INTRODUCTION

In the twenty-first century, most organizations are faced with the task of achieving the best possible results regarding efficiency and effectiveness in service delivery and profit maximization with available employees at their disposal. As a result, the concept of human resource development (HRD) has emerged as a strategy to enhance the capacity of existing employees in organizations for efficient performance.

Human Resource Development (HRD) is one of the key functions of an organization, and it defines ways of practices and results to organization productivity by recruiting qualified employees who have the desired competencies that enhances corporate image and lowers employee turnover and retention of employees in the organization.

According to Research Publish Journals (2016), Human Resource Development is premised on organizational

performance improvement mediated through human expertise and human effort. It aims to add value to the achievement of an organization's goals and objectives.

HRD is the integrated use of training and development, organizational development and career development which are applied to improve individual employees and organizational effectiveness (Abdullah, Che Ros & Kumar, (2007).

HRD helps organizations to provide learning practices related to the goals of the organization and its employment needs. The training perspective focus is that HRD should be able to enhance both the organizations and the employee's capacity to learn. The performance perspective is concerned with ensuring that training should be translated into behaviour or performance so as to realize organizational goals.

Holton, Holton & Naquin (2010) states that from a performance perspective is a process by which employees gain new knowledge that modifies their behaviours and actions. The primary outcome of HRD is training and performance.

According to Kaplan, 2006), one of the important developments in the field of HRD is increased focus on work-based training or what is often referred to as informal methods of training. Organizations need to enhance skills and capabilities of its employees by encouraging individual training and creating an enabling environment in which knowledge can be created, shared and applied to achieve goals of the organization.

HRD is the centre of employee acquisition, productivity, and growth, therefore, HRD is the process of acquiring and increasing the number of persons who have education, skills, and experience which are critical for performance (Paauwe, Guest & Wright, 2013).

II. THEORETICAL FRAMEWORK

This research is anchored on the following theories, Human capital theory, Behaviourism and systems theory which are discussed as following.

2.1.1 Human Capital Theory

The Human Capital theory was proposed by Schultz (1961) and developed by Becker (1964). Human capital theory introduced by Becker (1964) urges that there is need to invest in education either formal or informal, this increased employee's productivity. Organisations decisions are based on this theory. On what type of HRD activities produces the highest return in terms of productivity.

According to this theory, education or training raises the productivity of workers by imparting useful knowledge and skills thus increases an employee's lifetime earnings (Githinji, 2014).

The human capital theory focuses on the effects of the variance in employee skills on performance. HR is the pool of human capital in the organization control, and the relationship is a direct employment. Human capital theory application focuses directly on their competencies of employees in organizations.

2.1.2 Behaviourism

John B Watson devised methodological behavior in 1913, a science of observable behavior, which sought to understand behavior that could be measured, observed and recorded.

Behaviorism assumes positive and negative reinforcement impart learning, the employee who behaves in a correct way is praised while the employee who behaves in a wrong way is punished, a change in behavior indicates success, learners start off and the behaviour is shaped through positive or negative reinforcement. The behavioural perspective on HRD can be defined as the use of employees as tools for shaping patterns of behaviour that help to achieve organizational goals and objectives (Caliskan & Isik, 2016).

The characteristics of an employee do not provide value to the organization unless they are channeled through employee behaviours. On the other hand, employees must have the competencies necessary to exhibit these desired behaviour and attitude.

According to, Rothwell, indholm, Yarrish, Zaballero & Benscoter (2012) Employees' behaviour and attitude determines the extent to which the employees will use their capabilities within the organization. If an employee has good attitudes and behaviours such as high job satisfaction and great job commitment they are more likely to work for the benefits of the organization, thereby positively affecting organization performance

2.1.3 Systems Theory

Systems theory was founded by Ludwig von Bertalanffy and William Ross Ashby between 1940s-1970s on the principles from the fields of physics, biology, and engineering and later on included further fields of philosophy, sociology, organizational theory, management and economics among others.

Organizations are systems. A system is defined here as a collection of elements in which the performance of the whole is affected by every one of the parts and the way that any part affects the whole depends on what at least one other part is doing.

In the organizational context, HRD is a sub-system and a system of its own because human resources are the prime movers of all other physical resources and transform those input resources into valuable output in the form of product and services. This transformational process involves a host of human resource development processes, for that reason, human efforts are required to gauge performance by observing changes in human behaviour.

III. STATEMENT OF THE PROBLEM

The ineffective practice of HRD can result in various problems such as reduced employees' ability to develop and apply new skills, a decrease in staff productivity, an increase in employee turnover and low performance of organizations. Problems in HRD are created as a result of HRD programs failing to address the organizational and staff' needs. HRD activities if properly implemented can increase performance thus reducing losses, strikes, reduced services, employee turnover. HRD is a vital tool for enhancing job-related performance and organizational effectiveness. Several studies have addressed current HRD practices as an issue of HRM.

The lower level employees at UBA have been ignored in upgrading their skills and competencies which has been a cause for concern for all employees, however, employees lack the adequate requisite skills, knowledge, abilities and competencies needed to perform specific tasks. As a result, HRD activities are required to enhance their performance to make a substantive contribution towards the organization's growth.

Employees who expressed the desire to pursue university degree were not given paid study leave or their applications for study leave were turned down, with those who were persistent were advised to sponsor themselves.

IV. AIM OF THE STUDY

The general aim of this study is to investigate into the relationship between Human Resource Development on Organizational Performance within the banking sector in Sierra Leone.

V. OBJECTIVES OF THE STUDY

- I. To determine the effect of HRD on skills and competencies.
- II. To examine the effect of HRD on the recruitment processes.

VI. RESEARCH QUESTIONS

- i. How does HRD affect employee skills and competencies at UBA?

- ii. What is the effect of HRD on recruitment processes at UBA?

6.1 Significance of The Study

The findings of this study seek to benefit the following:

Financial Institutions

This study will also help financial institutions in drafting policies and procedures, which support full implementation of HRD programs in order to improve on HR activities which will improve organisational performance.

Researchers

This research will enhance the skills of other researchers and will help them tackle even difficult research questions and situations relating to this research which will provide an opportunity for more insights into HRD programs in organizations and how it should be carried out.

Students, Organizations and Other Interested Persons

This research will be a valuable reference material for students, organizations and other interested persons who may want to undertake similar study. Recommendations made by this study will enable organizations to have more insights and better understanding on the impact of effective HRD programs in determining its success, growth and performance.

Policy Makers

In addition to the above, this work will also serve as a useful tool for development partners and government, Ministries Departments and Agencies and for policy formulation and implementation on HRD programs which will serve as a pathway for economic growth and development

VII. RESEARCH DESIGN

The researchers adopted a mixed method approach, drawing its data through the primary and secondary sources, with the use of stratified and simple random sampling techniques.

7.1 The population of the Study

The population of the Study was (135) one hundred and thirty five and includes members of staff at the United Bank for Africa Headquarters in Freetown.

7.2 Sample Size and technique

The sample of this research covered a total number of (100) one hundred respondents and it was taken to cover the research. Among these, are workers at operational, middle, and the top level.

7.3 Research Instrumentation

Instruments used in the collection of data focused on interviews, review of literatures and administering of questionnaires.

7.4 Methods of Data Collection

The methods of data collection were:

- i. Research interviews
- ii. Questionnaires

7.5 Methods of Data Presentation and Analysis

The tools that were employed to present and analyse the data included the use of charts.

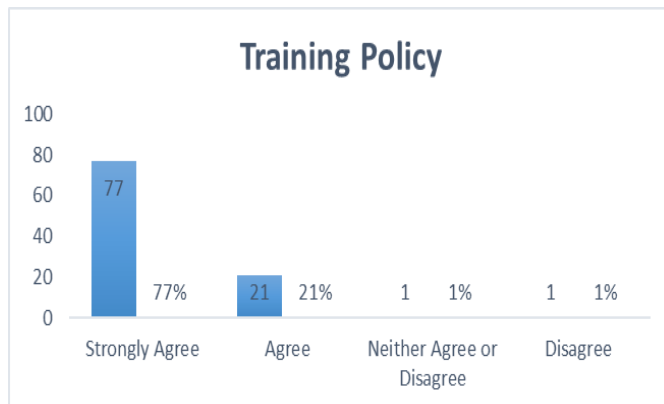
VIII. RESULTS AND DISCUSSIONS

a. Answering Research Question

Research Question 1:

- i. How does HRD affect employee skills and competencies?

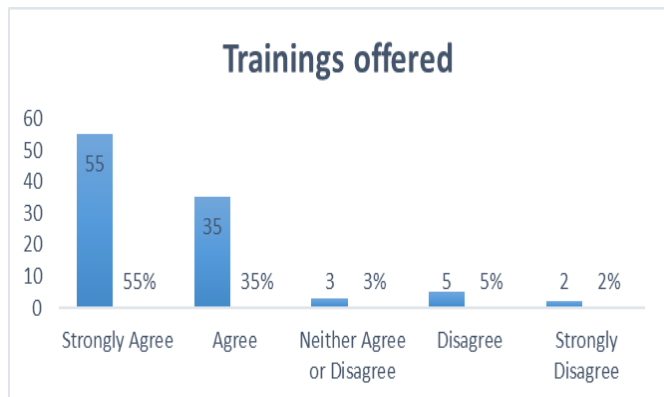
Training policy



Source: Researcher’s field survey 2020

Based on the data from the chart above, seventy-seven (77) respondents which constitute seventy-seven percent (77%) strongly agree that the bank has a training policy, twenty-one (21) respondents which constitute twenty-one percent (21%) agree the bank has a training policy, one (1) respondents which constitutes one percent (1%) neither agree or disagree that the bank has a training policy and one (1) respondent which constitute one percent (1%) disagree that the bank has a training policy.

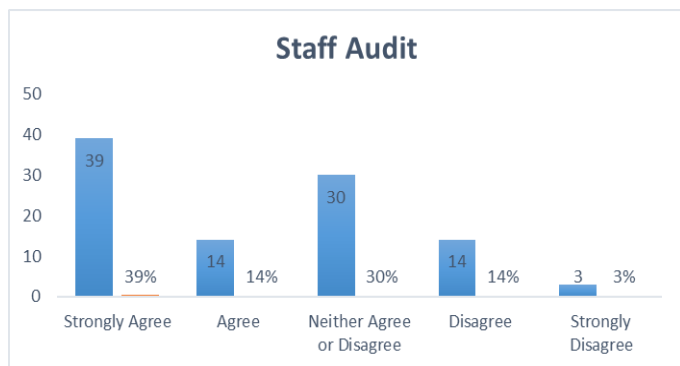
Trainings undergone to improve skills and competencies



Source: Researcher’s field survey 2020

Based on the data from the chart above, fifty-five (55) respondents which constitute fifty-five percent (55%) strongly agree that they have undergone trainings to improve their performance, thirty-five (35) respondents which constitute thirty-five percent (35%) agree that they have undergone trainings to improve their performance, three (3) respondents which constitutes three percent (3%) neither agree or disagree that they have undergone trainings to improve their performance, five (5) respondent which constitute five percent (5%) disagree that they have undergone trainings to improve their performance and two (2) respondent which constitute two percent (2%) strongly disagree that they have undergone trainings to improve their performance.

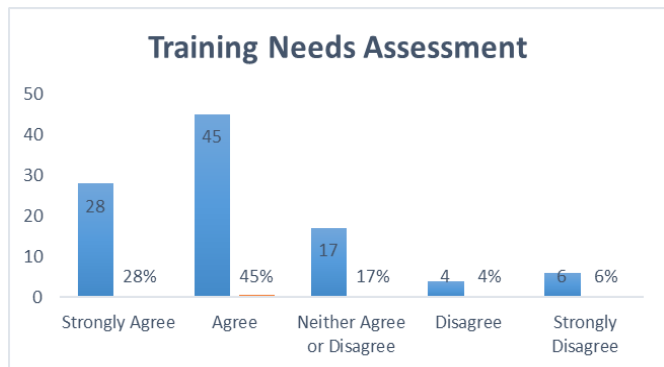
Continuous staff skill audit



Source: Researcher’s field survey 2020

Based on the data from the chart above, thirty-nine (39) respondents which constitute thirty-nine percent (39%) strongly agree that there is an audit of staff skill to identify training needs, fourteen (14) respondents which constitute fourteen percent (14%) agree that there is an audit of staff skill to identify training needs, thirty (30) respondents which constitutes thirty percent (30%) neither agree or disagree that there is an audit of staff skill to identify training needs, fourteen (14) respondent which constitute fourteen percent (14%) disagree that there is an audit of staff skill to identify training needs and three (3) respondent which constitute three percent (3%) strongly disagree that there is an audit of staff skill to identify training needs.

Training Need Assessment

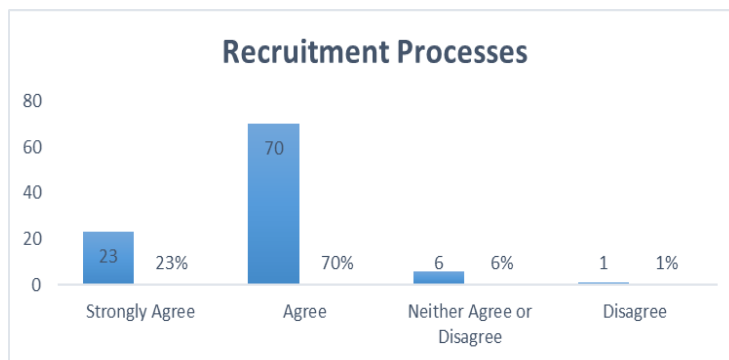


Source: Researcher’s field survey 2020

Based on the data from the chart above, twenty-eight (28) respondents which constitute twenty-eight percent (28%) strongly agree that there is a development plan, forty-five (45) respondents which constitute forty-five percent (45%) agree that there is a development plan, seventeen (17) respondents which constitutes seventeen percent (17%) neither agree or disagree that there is a development plan, four (4) respondent which constitute four percent (4%) disagree that there is a development plan and six (6) respondent which constitute six percent (6%) strongly disagree that there is a development plan.

The Effect of Hrd on The Recruitment Processes at UBA

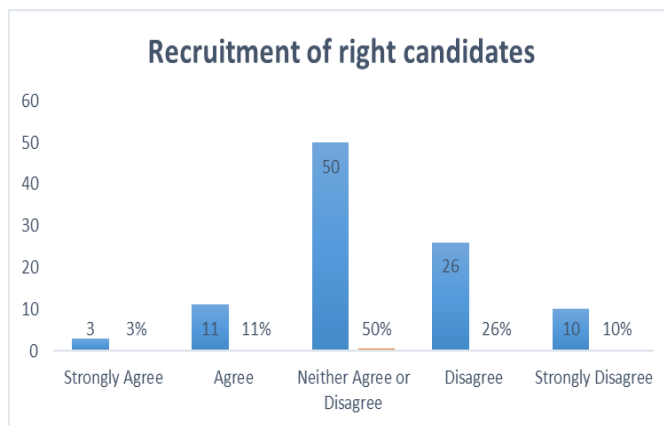
Recruitment processes informed by the HRD Program



Source: Researcher’s field survey 2020

Based on the data from the chart above, twenty-three (23) respondents which constitute twenty-three percent (23%) strongly agree that the bank has a structured recruitment process, seventy (70) respondents which constitute seventy percent (70%) agree that the bank has a structured recruitment process, six (6) respondents which constitutes six percent (6%) neither agree or disagree that the bank has a structured recruitment process and one (1) respondent which constitute one percent (1%) disagree that the bank has a structured recruitment process.

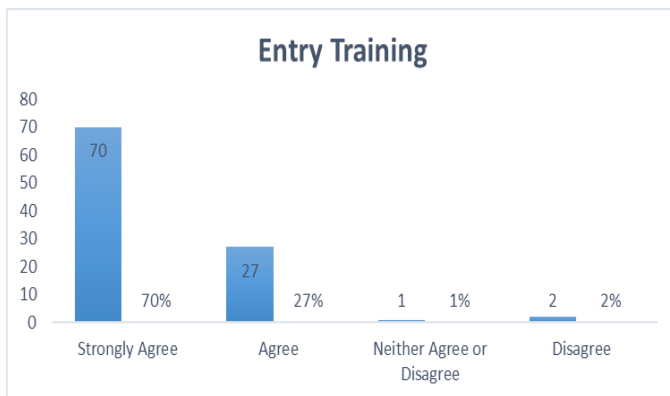
HRD programs and ensuring the right candidates are recruited



Source: Researcher’s field survey 2020

Based on the data from the chart above, three (3) respondents which constitute three percent (3%) strongly agree that the human resource development programs ensures the right employees are selected, eleven (11) respondents which constitute eleven percent (11%) agree that the human resource development programs ensures the right employees are selected, fifty (50) respondents which constitutes fifty percent (50%) neither agree or disagree that the human resource development programs ensures the right employees are selected, twenty-six (26) respondent which constitute twenty-six percent (26%) disagree that the human resource development programs ensures the right employees are selected and ten (10) respondents which constitute ten percent (10%) strongly disagree with the human resource development programs to ensures the right employees are selected.

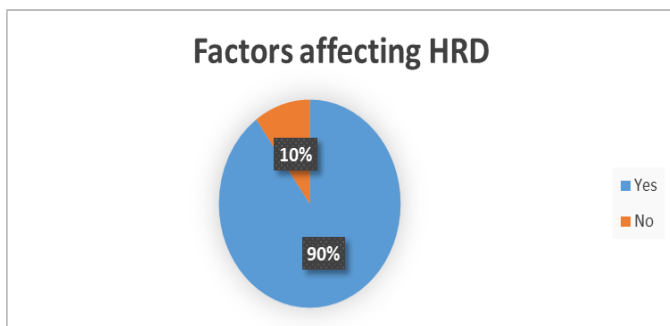
Selected applicants and provision of entry training



Source: Researcher’s field survey 2020

Based on the data from the chart above, seventy (70) respondents which constitute seventy percent (70%) strongly agree that the selected applicant are provided with training, twenty-seven (27) respondents which constitute twenty-seven percent (27%) agree that the selected applicant are provided with training, one (1) respondent which constitutes one percent (1%) neither agree or disagree that the selected applicant are provided with training and two (2) respondents which constitute two percent (2%) disagree that the selected applicant are provided with training.

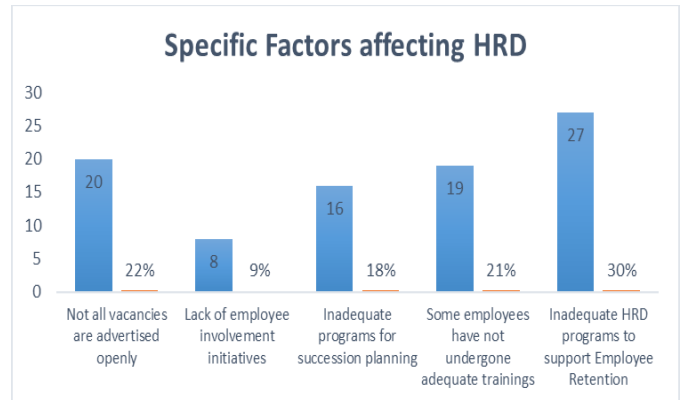
Factors Affecting Human Resource Development



Source: Researcher’s field survey 2020

Based on the data from the chart above, ninety (90) respondents which constitute ninety percent (90%) said yes there are factors affecting human resource development and ten (10) respondents which constitute ten percent (10%) said no there are factors affecting human resource development.

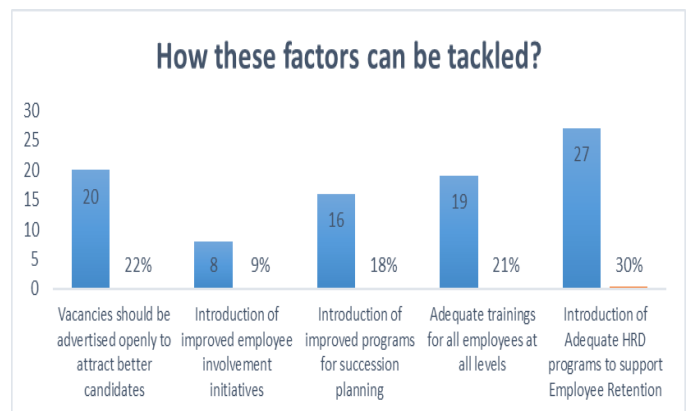
Specific Factors affecting Human Resource Development



Source: Researcher’s field survey 2020

A follow up question was asked to respondents to highlight some of the factors affecting HRD. Based on the data from the chart above, twenty (20) respondents which constitutes twenty two percent (22%) believed all vacancies are not advertised openly, eight (8) respondents which constitutes nine percent (9%)believed lack of employee involvement initiatives is another challenge, sixteen (16) respondents which constitutes eighteen percent (18%) believed Inadequate programs for succession planning affects HRD, nineteen (19) respondents which constitutes twenty one percent (21%) also believed that some employees have not undergone adequate trainings which is also a key factor affecting HRD and twenty seven (27) respondents which constitutes thirty percent (30%) believed inadequate HRD programs to support Employee Retention poses a much more serious threat to HRD at UBA.

How these factors can be tackled?



Source: Researcher’s field survey 2020

Another follow up question was asked to ascertain how the highlighted factors affecting HRD can be mitigated. Based on the data from the chart above, twenty (20) respondents which

constitutes twenty two percent (22%) believed Vacancies should be advertised openly to attract better candidates, eight (8) respondents which constitutes nine percent (9%) believed the introduction of improved employee involvement initiatives is another mitigating factor, sixteen (16) respondents which constitutes eighteen percent (18%) believed there should be introduction of improved programs for succession planning, nineteen (19) respondents which constitutes twenty one percent (21%) also believed that there should be introduction of improved and adequate trainings for all employees at all levels and twenty seven (27) respondents which constitutes thirty percent (30%) believed the introduction of adequate HRD programs to support Employee Retention is also another factor that will minimize the challenges of HRD at UBA.

IX. DISCUSSION OF FINDINGS

The main objective of the study was to assess HRD on Organizational performance.

Based on the analysis conducted, it was shown that HRD has a strong effect on performance if initiated and adopted carefully.

The specific findings are expounded below.

Training Policy Regarding Skills and Competencies

In this research, it was found that majority of the respondents strongly believed that the bank has a training policy and this show a commitment in training awareness in the bank.

These trainings conducted were designed to support the achievement of the bank's goals and strategy

Trainings and Audit of Skills

The researchers also found out that, respondents have undergone a range training programs to improve their performance also, it was observed that the bank conducts staff skill audit to identify training needs of employees.

Recruitment Processes at United Bank For Africa

A great number of the responses show the following:

1. Recruitment processes are often informed by the HRD Program.
2. HRD programs ensures the right candidates are recruited.
3. Selected applicants are often provided with entry training.
4. Recruitment processes support achievement of organizational goals and strategy.
5. Thirty-eight percent (38%) believed that the human resource development program has a positive effect on recruitment but thirty-seven percent (37%) neither agree nor disagree that the human resource development program has a positive effects on recruitment and twenty five percent (25%) disagreed that the human resource development program has a positive effect on recruitment.

X. CONCLUSION

Human Resources Development as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement (Amar Kumar Mishra (2012).

However, HRD develops the key competencies that enable individuals in organizations to perform current and future jobs through planned learning activities and hence, HRD ensures a match between individual and organizational needs.

Torraco, & Lundgren (2020) commented that Human resource development (HRD) is no longer expected to be the primary agency for promoting learning and development among employees. Today, HRD is diffused and integrated into a broad range of leadership and supervisory roles.

XI. RECOMMENDATIONS

Taking into consideration the above research findings and conclusions, the researchers suggests the following recommendations to the management of UBA:

- The Bank should continue improving the educational level of its employees and also providing trainings to equip them in order to improve their performance
- The Bank should set plans to retain those employees who have benefited from further education and trainings by availing promotional opportunities to them so they may stay long and give more valuable contributions.
- The Bank's management should notice the turnover of trained employees and should put in place a compatible pay and reward system to keep skilled human resource in the long run.
- Mangers of functional departments in the Bank should have short term plans to provide the required training for employees that are performing poorly.
- Finally, the following tips must be adhered to:
 - i. Vacancies should be advertised openly to attract better candidates
 - ii. Introduction of improved employee involvement initiatives
 - iii. Introduction of improved programs for succession planning
 - iv. Adequate trainings for all employees at all levels
 - v. Introduction of Adequate HRD programs to support Employee Retention

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