



Impact of Human Asset Management in Training and Development on Performance in Nigeria: Special Inclination to the Banking Sector

Afolabi B.¹, Awoniyi-Famiwole C. O.², Ayodele O. E³ and Adepoju A. A⁴

¹Department of Finance, Federal University Oye Ekiti

²Department of Accounting and Finance, Bamidele Olumilua University, Ikere

³Department of Finance, Ekiti State University, Ado Ekiti

Abstract

The study examined the impact of human asset management in training and development on productivity in Nigeria with special inclination to the banking sector between 2014 and 2018 taking into cognizance three banks selected at random in Nigeria. The study used return on assets as the dependent variable and also used training and development expenses, employee remuneration, number of employee and total assets as independent variables coupled with the use of the classical Ordinary Least Square, it was revealed that training and development especially the cost expended on it has no significant impact on the profitability or performance of banking firms in Nigeria. Hence, it was recommended that banking firms should provide training needs evaluation in a bid to know the deficient areas in need of training and provide such and not just expend funds on trainings that will not contribute significantly to the performance of the firm.

Keywords: Human Asset Management, Training and Development, Performance

1.0 Introduction

The continued existence and progressive increase in the performance of every organization largely depends on the emphasis laid on the training and development of its human assets. Human assets also referred to as human capital form a very essential part of organisational resources needed to run an organization. As a consequence, human resource development, as a transformative, regular, and continuing learning process that is usually initiated by the employer, promotes various forms of learning possibilities in the workplace. The training and development department within an organization is effectively responsible for providing the workforce with a great deal of its up to date knowledge and skills, for promoting

creativity and innovation, and for helping the workforce towards achieving a common goal (Edralin, 2007).

Furthermore, the strength of the competence, skill and ability of human assets in an organization has great effect on its capacity to retain its position in a bid to competitive advantage (Houger, 2006). The tools of training and development are therefore essential in improving the skill; ability and competence of this invaluable asset in any organization as such strategic tools build confidence and strength of character in such workers (Lynton & Pareek, 2000). Simply put, as far as human assets are not born with programmed methods of carrying out organizational tasks, the place of training and development cannot be neglected. Therefore, it is against this



backdrop that this study conducts an inquiry into the impact of human asset management in training and development on performance in Nigeria with special inclination to the banking sector.

Statement of the Problem

Human asset management has been discovered to form the major core of the management framework of any organization as it relates to the workers and employees. The need for the increased performance of human assets has therefore necessitated the desire for various strategies to enhance human assets which includes training and development. Consequently, several contributions abound on the subject matter in literature (Mamofokeng, Sekantsi & Rammuso, 2018; Adefope, 2017; Khaemba, 2017; Habib, Zahra & Mushtaq, 2015). However, there exists the presence of mixed results in literature as regards the subject matter as some studies like Enga (2017) discovered a significant impact of training and development on productivity while Shafiq and Hamza (2017) discovered an insignificant impact. Hence, in the midst of this inconsistency in literature, it is imperative to conduct an inquiry to ascertain a standpoint in literature.

Furthermore, most contributions in literature (Mamofokeng, Sekantsi & Rammuso, 2018; Adefope, 2017; Khaemba, 2017; Habib, Zahra & Mushtaq, 2015) made use of the research tools of questionnaires which leaves the judgment on the subject matter to the opinions of people who are mostly employees too. Therefore, in such a manner, the result is predictable –positive as an employee cannot most likely declare that training and development has negative effect on performance. However, it is important to note that some trainings are like round pegs in square holes for some firms as the wrong training is provided which such trainings

will surely have an insignificant impact on performance. As result, the true perspective to view the subject matter is from the financial statements of banks where the measure of firm productivity is accurately stated as well as the measure of training and development most especially in terms of cost and even employee remuneration. As a result, this study improves on previous studies by gathering data from secondary sources including the financial statement of banks coupled with the use of panel regression technique to establish the relationship between human asset management in training and development and productivity in firms with special inclination to the banking sector in Nigeria.

Conceptual Literature

Training and Development on Performance

Training and development refers to the efforts put in place in an organization to boost the performance of the human assets in an organization by ensuring that the employee's skill and knowledge is increased (Dennis & Griffin, 2005). Furthermore, Khaemba (2017) also explicated training and development to an education procedure which embraces the refining of proficiencies, paradigm shift in mindset and gaining better approaches to improve performance.

Ellis (2008) asserted that training and development balances the skill of every human asset as well as it motivates them to do more subsequently. It enhances the loyalty of the employee to the firm and also creates a platform for each manager to recognize the unique endowments of each human asset in the organization and the specific part of the big picture such asset can fit into. Furthermore, Adeniyi (2010) as cited by Khaemba (2017) considered this impact from a different perspective as it was



opined that training and development can also enhance the behavior of a human asset which is probable as enlightenment does just not improve the skill of the trained but also the conduct, attitude and behavior of same. In addition, Armstrong (2012) averred that a proper system of training and development will reduce wastage, enhance character, quality of production, performance of firm and the operational flexibility within the firm, hence, the need for training and development of human assets.

Theoretical Literature

Human Capital Theory

The human capital theory as advanced by Becker (1993) assumes that training and development is a profitable undertaking in that it has an effective influence on the productivity of employees (Olaniyan & Okemakinde, 2008 in Khaemba, 2017). In fact, the theory portrays that investments can be made in people with economic return for the society. Hence, human capital investment can wrought same effect in the economy as the physical capital investment. However, Becker (1993) identified training and education as the most essential components of the human capital investment and as such can generate more returns than the cost of human capital which is wages.

Social Learning Theory

The social learning theory was postulated by Bandura (1977) having as its nub the fact that people who are social beings learn through observation, imitation and patterning their lives after models that they assume are reliable, wise, knowledgeable and advanced in their sphere of living. Hence, those who are ahead become models who can instruct others through direct instruction or by their way and method of carrying out tasks. In this manner, older employees or informed instructors can therefore train newly employed or

uninformed workers in a bid to improve efficiency.

Empirical Literature

Halbast and Tarik (2019) examined the influence of the strategic human resources management (HRM) practices on the achievement of 'competitive advantage' that will be sustainable, with an evaluation of the mediating role of 'human capital' development and the commitment of employees in an academic environment in Turkey. Six Hundred (600) questionnaires were randomly distributed to the employees of selected universities in Erbil City of Iraq. Structural equation modeling (SEM) techniques were employed for the analysis with the use of Smart Partial Least Square PLS. Findings from the study revealed a linear and positive influence of the strategic HRM on the sustainability of "competitive advantage"; strategic HRM was also found to positively influence human capital development and employees' commitment were found to have a partial mediation in the strategic HRM practices and sustainable competitive advantage (SCA) relationship. Theoretical and management implications were recommended and suggested.

Mamofokeng, Sekantsi and Rammuso (2018) conducted an inquiry into the impact of training on employees' performance in Lesotho. The study made use of questionnaires administered on 171 respondents coupled with the use of descriptive statistics; it was revealed that training has positive effect on employees' performance. Hence, it was recommended that resources should be allocated for the training of employees. The recommendation was adequate enough. The questionnaires administered should have been increased so as to give a more robust result.

Maciulyte-Sniukiene and Matuzeviciute (2018) examined the impact of human



capital development on the productivity growth of 26 European countries. The study used value added per employee as the dependent variable and also used total health expenditure and total education expenditure as independent variables coupled with the use of panel data ordinary least square regression technique revealing that human capital development has positive effect on productivity growth in the European Union. The study was adequate but it did not consider training and development aspect.

In the Nigerian context, Adefope (2017) assessed the impact of training and development on the performance of employees in Nigeria. The study made use of questionnaire administered on 68 respondents coupled with the use of descriptive statistics and regression analysis, it was revealed that training has a significant impact on employee performance. Hence, systematic training as well as a well-structured training calendar is recommended for organizations for effective performance. The study was comprehensive enough but more questionnaires should have been considered.

Shafiq and Hamza (2017) investigated the effect of training and development on the performance of employees in Malaysia. The study used questionnaires administered on 105 respondents coupled with the use of descriptive statistics and regression analysis, it was revealed that training and development does not have a significant effect on performance. Hence, it was recommended that progressive Human Resource programmes and policies should be established and implemented to induce performance. The study was comprehensive enough but more questionnaires should have been considered.

Khaemba (2017) scrutinized the effect of training and development on the

performance of employees taking into cognizance the county general hospital in Kenya. The study adopted questionnaire approach administered on 62 respondents with the use of a cross sectional descriptive analysis revealing that training has positive effect on performance and loyalty of employees. Hence, it was recommended that induction training should be given to new workers apart from specialized trainings. The study was comprehensive enough but more questionnaires should have been considered.

Enga (2017) conducted an inquiry into the impact of training and development on organizational performance in Cameroun. The study also made use of questionnaire administered on 30 respondents adopted the use of descriptive statistics, it was revealed that training and development has a positive effect on employee performance, hence, it was revealed that the categories of workers which should participate in trainings should be increased. The study was comprehensive and adequate enough but more questionnaires should have been considered.

Yee, Kei, Ee, Wee and Ying (2015) examined the effect of training and development on productivity of employees in Malaysia. The study made use of questionnaires administered on 158 respondents coupled with the use of descriptive statistics, it was revealed that training and development has a positive effect on productivity. Hence, it was recommended that training and development should be improved to achieve organizational goals. The study was comprehensive enough but more questionnaires should have been considered. In Pakistan, Habib, Zahra and Mushtaq (2015) investigated the impact of training and development on the productivity of employees. The study which adopted the use



of questionnaire administered on 33 respondents made use of the Analysis of variance (ANOVA) technique revealing that training and development has a positive effect on employee performance. The study was comprehensive enough but more questionnaires should have been considered. Tahir, Yousafzai, Jan and Hashim (2014) studied the impact of training and development on the performance and productivity of employees in Pakistan taking into cognizance the United Bank Limited. The study which made use of questionnaires administered on 80 respondents adopted the descriptive statistics analytical tool revealing that training and development has significant effect on employees' productivity. Hence, it was suggested that training and development should be taken seriously by banks to improve efficiency. The study was comprehensive enough but more questionnaires and samples should have been considered

In the Nigerian context, Falola, Osinbanjo and Ojo (2014) looked into the effectiveness of training and development on the performance of employees and organization competitiveness within the banking industry. The study which was carried out by administering questionnaire on 223 respondents adopted the use of descriptive analysis revealing that training and development has a significant effect on employee performance. Hence, it was recommended that favorable training policies should be formulated and implemented in firms. The study was comprehensive enough. Hence, human asset management should have been included in the topic.

Ndibe (2014) studied the effect of employees' training on organizational performance in Nigeria. The study made use of questionnaire administered on 254

respondents coupled with the use descriptive statistics; it was revealed that training has significant effect on firm performance. Hence, it was recommended that proper assessment and evaluation framework should be formulated and implemented at all levels.

In Uganda, Nassazi (2013) examined the effect of training on employee performance. The study made use of questionnaires administered on 120 respondents coupled with the use of descriptive statistics; it was revealed that training has significant effect on performance.

Malaolu and Ogbuabor (2013) inquired into the effect of training and manpower development on employee productivity and organizational performance in Nigeria. The study also made use of questionnaire administered on 75 respondents coupled with the use of descriptive statistics, it was revealed that training and manpower development has a positive effect on firm performance. Hence, it was suggested that organization should conduct training needs assessment in a bid to know the deficient areas needing training in firms.

In Ghana, Degraft-Otoo (2012) scrutinized the effect of training and development on the performance of employee through the use of questionnaire administered on 50 respondents coupled with the use of descriptive statistics, it was revealed that training and development has a positive impact on employee performance. Hence, it was recommended that training should be enhanced to strengthen their competencies. The study was comprehensive enough but more questionnaires should have been considered.

Isiwu (2012) examined the impact of staff training on the productivity of workers in the public sector in Nigeria. The study made use of questionnaires administered on 101

respondents coupled with the use of descriptive statistics; it was revealed that staff training has positive effect on workers' productivity. Hence, it was recommended that organizations should sponsor workers who are interested in training programmers either on full or part sponsorship. The study was comprehensive enough but more questionnaires should have been considered.

Methodology

The study adopts an econometric approach in the analysis of the impact of human asset management in training and development on performance in Nigeria taking into cognizance three big banks selected at random in Nigeria viz; Guaranty Trust Bank plc, Access bank plc and Zenith bank plc. An econometric approach of the classical Panel data Ordinary Least Square technique will be adopted to test for the relationship between the variables. The study made use of cross sectional data spanning from 2014 through 2018. The study adopted secondary data relating to the firms from their annual

reports, the data was loglinearized and analysed through the use of the E-Views 9 statistical package.

Model Specification

The objective of the study is to investigate the impact of human asset management in training and development on performance in Nigeria. Hence, the model formulated for the study is stated hereunder:

$$ROA = TDE + EMPREM + NUMEMP + TASS + \mu$$

Dependent Variable

The study used Return on Asset as the dependent variable in a bid to measure the productivity of the firms considered.

Independent Variables

The independent variables adopted for the study are training and development expenses, employees' remuneration, number of employees and total assets.

Analysis and Discussion of Result

This segment of the study discusses the analysis and result of the study. Regression analysis was conducted using E-Views 9.

Table 1: Regression Result

Dependent Variables: ROA

Variables	Coefficient	Std. Error	T-Stat.	Prob.
TDE	-0.041201	0.162308	-0.253842	0.8097
EMPREM	0.974750	0.401328	2.428808	0.0595
NUMEMP	-4.748430	1.018811	-4.660758	0.0055
TASS	0.032748	0.210860	0.155305	0.8827
C	12.09386	5.816256	2.079321	0.0921
Fixed Effects (Cross)				
ACCESS--C	-1.837168			
GTB--C	0.128760			
ZENITH--C	1.708408			
R-squared	0.978119			
Adjusted R-squared	0.951862			
F-statistic	37.25124			
Prob(F-statistic)	0.000540			
Durbin-Watson stat	1.758584			

Source: Output of data analysis by author (2021) using E-Views 9



The relationship between the dependent variable and the independent variables can be expressed mathematically as:

$$ROA = 12.09386 - 0.041201TDE + 0.974750EMP_{PREM} - 4.748430NUMEMP + 0.032748TASS + \mu$$

A proper scrutinisation of the regression result shows that training and development has an insignificant effect on firm performance as the cost expended on training and development has not translated to improvement in performance in the Nigerian banking sector. The only significant variable in the study is number of employees with a negative effect which shows that the overhead cost of securing more employees is telling on the rate of profitability of banks. However, the model was found to be highly significant as a result of the values of the R-Squared, Probability of the F-Statistics and the Durbin Watson Statistics showed that the findings of the study can be relied upon for policy recommendation. Also, a proper look at the table revealed that the cross sectional variability of the firms showed that the fixed effect cross sectional effect of training and development as an human asset management technique on the performance of the firms is different which means that training and development has varying effect on the banks over time.

Summary and Recommendations

The study examined the impact of human asset management in training and development on performance in Nigeria with special inclination to the banking sector between 2014 and 2018 taking into cognizance three banks selected at random in Nigeria. The study used return on assets as the dependent variable and also used training and development expenses, employee remuneration, number of employee and total assets as independent variables coupled with the use of the classical Ordinary Least Square, it was revealed that training and development

especially the cost expended on it has no significant impact on the profitability or performance of banking firms in Nigeria. Hence, it was recommended that banking firms should provide training needs evaluation in a bid to know the deficient areas in need of training and provide such and not just expend funds on trainings that will not contribute significantly to the performance of the firm.

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