

## **Assessing the Impact of Training and Management Development in the Nigerian Banking Industry**

**Dr. E. O. Oni**

Department of Entrepreneurship and Business Studies  
Federal University of Technology, Minna

**Mukaiya A Ijaiya**

Department of Entrepreneurship and Business Studies  
Federal University of Technology, Minna

**Musa Mohammed**

Department of Project Management  
Federal University of Technology, Minna

### **Abstract**

*This paper examines the impact of training and management development in Nigeria Banking Industry. Out of 24 banks in Nigeria as at 2011, 7 were randomly selected for this study. A total of 350 questionnaires were administered, out of which 280 were however returned and found suitable for analysis. Using descriptive analysis and inferential statistics such as frequency distribution and Analysis of Variance (ANOVA). The result obtained shows that there is great impact of training and management development on the Nigeria Banking Industry. The result notwithstanding policy measure that would continue to make training and management development relevant in the Nigerian Banking sector was suggested.*

### **1.0 Introduction**

The journey towards a knowledge economy demands the new additional type of competencies like team spirit, cooperation, best practices; goal setting to reach the destination of knowledge economy in high productivity place like bank, the lifelong learning concept should be applied to its workforce. However, training is one of the most important strategies for organizations to help employees gain proper knowledge and skills need to meet the environmental challenges (Al-Lamki and Salma (2000). Employee training represents a significant expenditure for most organizations. Training too often is viewed tactically rather than strategically. Ripley (2002) states that training should not be regarded as a luxury to be undertaken when time and budget allows, nor is it wise to think of training as a remedial, as a matter of shocking up weak employees or fixing problems. In a successful program, the training units acts not like a group of physicians who minister to organizational ills, but rather as an agent of change. Senior management should recognize that training function has valuable intelligence about employee's core skills. The training unit, in a successful program, understands the organization strategic direction and can design and implement a creative way of proving people in that direction.

Employees are increasingly demanding change, choice, flexibility, and variety in their work; suggesting that with the de-layering of organization and empowerment of individual employees, the future for both the organization and the individual lies not in the promotion to successively higher levels of management, but rather in developing the value of the individual as human capital. Andrew (2000). The value of human capital is enhanced by acquisition of higher performance potentials such as new tasks, functions and KSAPs (Knowledge, Skills, Abilities, Personal Attributes) (Brethower and Rummler (1979). Training and development has grown concerned not only with helping individual to adequately fill their positions, but also with helping whole organizations and sub-departments grow and develop. Training and Development, though primarily concerned with people, is also concerned with technology, the precise way an organization does business.

Training is concerned with the meeting between two inputs to organizational effectiveness, that is, people and technology. Since an organization can rarely secure people who at the time of employment, total masters of their unique requirements, organization need a good training and development program. Training changes uninformed employees to informed employees; training changes un-skilled or semi-skilled workers into employees who can do their assigned tasks in the way the organization want them done; workers who do things in their right way. Isiaka,( 2011). There may be many reasons why banks invest in training and development for their employees. Therefore, these study focuses on the impact of training and development in the Nigerian Banking Industry. The rest of the paper is structured as follows, section two provides literature review, section three provides methodology and data source, section four present results and discussion while conclusion and recommendations are contains in the last section.

## **2.0 Literature Review**

Training is an organized programme designed to aid the employee's performance through the imposition of job skills and knowledge. Failure of most organizations was attributed to lack of employee training and development, as the job remains boring to untrained personnel or employees. Development refers to teaching managers and professionals, the skills needed for both present and future jobs. Training and management development are therefore a mixture of activities aimed at improving the performance of personnel in organizations for the attainment of continuous improvement in productivity. Related to this is the concept of training and the concept of management development which is contain in the next section.

### **2.1 Concept of Training**

Training is an important concept in improving the organization productivity. The more organizations seek excellence, the more employees' training and development become imminent. Training is usually aimed at solving significant problems as we are suppose to use it as a key requirement for ensuring that any training which takes place is based on proper analysis of its contribution to the effectiveness and efficiency of an organization Isika,( 2011).

Nwanchukwu (1998) sees training as organizational effort aimed at helping an employee to acquire basic skills required for the efficient execution of the function for which it was hired. Cascio and Silbey (1979) in his contribution sees training as consisting of planned programs designed to improved performance at individual, group and/or organizational levels. To Cascio, (2002) improved performance in turn, implies that there have been measurable changes in knowledge, skills, attitude and/or social behavior. According to Aina (1992), he sees training as the acquisition of the technology which permits employee to perform according to standard. He then sees training as an experience, a discipline as a systematic action which causes people to acquire new skills and knowledge and predetermined behaviours. Banjoko (1996) in his own view, training is an organized procedure by which people learn knowledge or skills for a definite purpose. That is, it is a process for equipping the employee particularly the non-managerial employees with specific skills. DeCenzo and Robbins (1996) reiterate that, training is a learning experience in that it seeks a relative permanent change in an individual that will improve the ability to perform a job. They typically say training can involve the change of skills, knowledge, attitudes or behavior. To them, it may mean changing what employees know, how they work, or their interaction with their co-workers or supervisors. DeCenzo and Robbins (1996) see training as more present day oriented, its focus is on individual current job, enhancing those specific skills and abilities to immediately perform their jobs. Dessler et.al (1999) opines that training is the process of teaching employees the knowledge or skills they need to better perform their current jobs.

That is training help employees meet the goals of the company as well as their own goals. Dessler (2000) in another view indicates that training refers to the method used in given new or present employees the skills they need to perform their jobs. Riyaz (2004), reiterate that training is "any procedure initiated by an organization to foster learning among organizational members". Mathis and Jackson (2000) see training as "a process whereby people acquire capabilities to aid in the achievement of organizational goals". In a related work, Stone (2002) sees training as a "typically emphasize immediate improvement in job performance via the procurement of specific skills".

## **2.2 Concept of Management Development**

Management development is self development. Management development is concerned with developing the skill of the manager over his or her carrier with the firm. Management development is a dynamic process, and ideas and practices are constantly being challenged. It is only continually rethinking and re-examining management development, provision that standard can be maintained (Isiaka, 2011).

According to Bankajo (1996), 'Development' in relation to the process of helping managerial employees who perform non routine job to improve their management administrative and decision-making abilities and competence. Watad (1999) opines that, management development contributes to business success by helping the organization to grow the managers it requires to meet its present and future needs. It improves managers' performances, gives them development opportunities and provides for management succession. Aina (1992) in his contribution simply takes development as concerned with preparing the employee so that they can move with the organization as it develops changes and grows.

Nwachukwu (1987) reiterates that management development is a process that gets an employee ready for a rise in the organizational hierarchy. What Nwachukwu (1987) terms a rise is simply promotion? Here it should be noted that promotion gives a sense of self-fulfillment and its denial especially when one think one merit it, deflects one's ego. Every organization should identify and encourage employees who have the potential to contribute their quota in the organization and society as a whole. The implication of Nwachukwu's assertion is that no organization can continue to survive and grow in our dynamic environments that forget to develop its managerial cadre. According to Udayam (1996), development refers to teaching managers and professionals, the skills needed for both present and future jobs.

Employee development according to DeCenzo and Robbins (1996) by design is future-oriented and more concerned with education than employee training. By education we mean that employee development activities attempt to instill sound reasoning processes, to enhance one's ability to understand and interpret knowledge, rather than imparting a body of fact's or teaching a specific set of motor skills. They therefore, see development as focusing more on the employee's personal growth.

Successful employees prepared for position of greater responsibility must have analytical human, conceptual, and specialized skills. They should be able to think and understand. Training per se, cannot overcome an individual's in ability to understand cause and effect relationships, or think logically. As a result, DeCenzo and Robbins (1996), suggest that employee development be permanently an education process rather than a training process.

Management development is divided into two parts- on-the-job and off-the-job. On-the-job is the development of a manager's ability that takes place on-the-job. Common approaches for the on-the-job are coaching; mentoring; job creation; and job instruction techniques (JIT). Off-the-job takes place outside the normal working post. Common off-the-job approaches include sensitivity training; transactional analysis; lectures; and simulation exercise.

One critical component of employee development considered by DeCenzo and Robbins (1996) is that, all employees, at no matter what level can be developed. To them, historically, development was reserved for potential management personnel. Although it is critical for individual to be trained on specific skills related to managing like planning, organizing, leading, controlling and decision making. Time has taught us that these skills are also needed by non-management personnel. The use of work teams, reductions in supervisory roles allowing workers to participate in the goals of their jobs, and a greater emphasis on quality and customers, have change the way developing employee skill is viewed. Accordingly, organizations now require new employee skill, knowledge and abilities.

## **3.0 Methodology and data source**

A well-structured questionnaire was used to collect the primary data from the employees of the selected banks. Secondary data were sourced from published material such as journals and books. Simple random sampling techniques were used in selecting the respondents. In the study a research instrument was developed, protested and validated.

It was used to assess the impacts of training and management development in an organization particularly in the banking industry. Total sample size for this study is 350 respondents, out of which 280 were however, completed, returned and found suitable for analysis.

Data are presented in the form of table showing frequencies and percentages. Following each table is the descriptive analysis of the findings. Data gathered from the questionnaire were analyzed using frequency distribution and analysis of variance (ANOVA).

The statements of hypothesis for the study are as follows:

H<sub>0</sub>: Training and management development does not have impact in the banking industry.

H<sub>1</sub>: Training and management development give positive impact on the growth of banking industry.

#### 4.0 Results and Discussion

The results of this study are presented in this section. It presents the frequencies as were applicable to the various section of the data obtained through the questionnaire.

##### 4.1 Respondents Background

Table I to VII showed the distribution of respondents, background information by the banks, names of bank, department, position (rank) and length of service.

Table I, shows the distribution of the respondent by banks.

**Table 1: Response Rate Distribution by Bank**

Bank	Frequency	%	Validity
First Bank	44.6	16.4	16.4
Union Bank	48	17.1	17.1
U.B.A	47	16.8	16.8
Diamond	44	15.7	15.7
Access	49	17.5	17.5
Eko Bank	29	10.4	10.4
First Inland Bank	17	6.07	6.07
Total	280	100.0	

Source: Research survey, 2011.

Table II, show the distribution of respondents by departments in the bank.

**Table 2: Distribution of Respondents by Departments in Banks**

Department	Frequency	Percent %	Valid %	Cumulative %
Cash	70	25	25	25
Customer Service	36	12.8	12.8	38.1
Infotech	6	2.1	2.1	40.2
Operation	88	31.3	31.3	71.5
Chequing	3	1.1	1.1	72.6
Teller	5	1.8	1.8	74.4
Transaction Service Unit	8	2.8	2.8	77.2
Clearing	18	6.4	6.4	83.6
Technical Service	9	3.2	3.2	86.8
Retailing Marketing	35	12.5	12.5	99.3
Audit & Complaint	2	0.7	0.7	100
Total	280	100	100	

Source: Survey 2011.

**Table 3: Gender of the Respondents**

Gender	Frequency	Percent %	Valid %	Cumulative %
Male	160	57.1	57.1	57.1
Female	120	42.9	42.9	100
Total	280	100	100	

Sources: Survey 2011.

Table III, shows that out of the 280 respondents, 160 (57.1%) are males while 120 (42.9%) are females, which means we have more male respondents than female.

**Table 4: Ages of the Respondents**

Age	Frequency	Percent %	Valid %	Cumulative %
20 – 30 years	188	67.1	67.1	67.1
31 – 40 years	80	28.5	28.5	95.7
41 – 50 years	12	4.3	4.3	100
Total	280			

Source: Survey 2011.

Table IV, indicate that out of 280 respondents 188 (67.1%) are within the range of 20-30 yrs; 80 (28.5%) are within the range of 41-50 years.

**Table 5: Position (Rank) of the Respondents**

Position (Rank)	Frequency	Percent %	Valid %	Cumulative %
Top level Mgt.	4	1.43	1.43	1.43
Middle level Mgt.	150	53.6	53.6	55
Supervisory	84	30	30	85
Others	42	15	15	100
Total	280	100	100	

Source: Survey 2011

Table V, shows the position of the respondents, 150 (53.6%) of the respondents are middle level management staff. This indicates that the remaining 84 (30.0%) are the supervisory staff.

**Table 6: Educational Qualification of the Respondents**

Qualification	Frequency	%	Valid %	Cumulative %
OND	53	18.9	18.9	18.9
B.SC/BA/HND	185	66.07	66.07	85
M.SC/M.A/MPA	39	13.9	13.9	98.9
Ph.D	2	0.71	0.71	99.6
Others	1	0.36	0.36	100
Total	280	100	100	

Source: Survey 2011

Table VI, shows the educational qualification of the respondents, which indicate that out of 280 respondents, 185 (66.02%) have at least first degree or HND.

**Table 7: Years Spent with the Bank by Respondents**

Years in the Bank	Frequency	%	Valid %	Cumulative %
Less than 1 yr	63	22.5	22.5	22.5
1 – 5 yrs	117	41.2	41.2	64.3
5 yrs and above	100	35.7	35.7	100
Total	280	100		

Source: Survey 2011.

Table VII, indicates the year spent in the bank by the respondents. The experience here is that out of 280 respondents, 117 (41.8%) have spent between 1 year to 5 years with the bank. 100 (35.7%) have also spent between 5 years and above.

**Hypothesis Testing**

Hypothesis 1: H<sub>0</sub> says training and management does not have impact in the banking industry.

The evidence on this is shown in table 9, and documentary evidence from the selected banks, that training and management development have positive impact in the banking industry.

The F-value calculated 7.212 is greater than the table value of 2.12 at (0.05 level of freedom).

The ANOVA test result reveals that training and management development have positive impact in the banking industry.

Hypothesis 2: H<sub>1</sub>:

Training and management development give positive impact on the growth of banking industry. The descriptive statistics in table 9, established that training and development have positive impact on the growth of banking industry on the following area: productivity, new technology, staff request, new hire request, moral duty, and responding to skills deficiencies.

**Table 8: ANOVA Table on training and management development as important factors**

	Sum of square	DF	Mean square	F	Significant
Between group	56.163	7	8.023	7.312	0.000
Within group	222.819	203	1.087		
Total	278.982	210			

Sources: Survey 2011.

Significant at 0.05

Degree of freedom is calculated as follows;

Total (211-1) = 210, between groups (8-1) = 7, within groups (210-7) = 203

The F-value is calculated by dividing the between groups mean square (8.023) by the within groups mean square (1.087) i.e.  $8.023/1.087 = 7.381$

When inspecting a table of F-distribution, we look up degrees in the numerator (here is 70 and denominator (203) then find the value as 2.01 table value.

**Table 9: What impact does training and management development has in your Bank? Productivity, New Technology, Staff Request, New Hire Request, Moral Duty, and Respondent to skills deficiency.**

	Productivity		New Technology		Staff Request		New Hire Request		Moral Duty		Response to Skill Def.	
	F	P	F	P	F	P	F	P	F	P	F	P
NO	7	2.5	5	1.8	22	7.8	11	3.9	8	2.8	7	2.5
YES	273	97.5	275	98.2	258	92.2	269	96.1	272	97.2	273	97.5
Total	280	100.5	280		280		280		280		280	

Key: F = frequency P = percentage %

Sources: Survey 2011.

The above are ranked as follows:

1. 1<sup>st</sup> New Technology 98.2%
2. 2<sup>nd</sup> Productivity 97.5%
3. 3<sup>rd</sup> Respondent to Skill Deficiency 97.5%
4. 4<sup>th</sup> Moral Duty 97.2%
5. 5<sup>th</sup> New Hire Request 96.1%
6. 6<sup>th</sup> Staff Request 92.2%

### 5.0 Conclusion and Recommendation

Human resource management is meant “to integrate all personal activities with each other and strategically with organizational objectives”. Essentially, it first serves the organizational interest and in that context, “it is an investment rather than a cost to the organization”. The utilization of all other resource directly depends on efficient utilization of human resources. Every organization needs to have well trained and experienced people to perform the activities that have to be done.

However, training and management development could be seen as a mixture of activities aimed at improving the performance of personnel in organizations for the attainment of continuous improvement in productivity. Despite the results from this study, the following are recommended:

- Human Resource Department should care for appropriate response in equipping people who have to perform in new environment.
- Banks should take necessary steps in such a way that employees should feel training is essential to enhance the productivity and customer satisfaction to meet the present business challenges.
- Training should be seen as where skills are developed, attitudes are changed, ideas evolve and organization is reinvented.
- Training and management development should be seen as vital issues to both employees and employers.

### References

- Aina, S. (1992), Personnel Management in Nigeria- a work-centered Approach. *Edition F. communication Ikeja* p. 75
- Al- Lamki and Salma Mohammed (2000), Omanizations: A Three tier strategy framework for human resource management and training in the sultanate of Oman. *Journal of comparative international management*. Vol. 7, No 5, pp. 112-116
- Banjoko, S.A. (1996), Human Resource Management: *An expository Approach*, Saban Publishers Lagos p. 71
- Cascio W.F. and Sibley, V. (1999), Utility of Assesment Center as a selection device. *Journal of Applied Psychology*. 64, 107-118
- DeCenco D.A. & Robbins S.P, (1996), Human Resource Management (5<sup>th</sup> Ed.) pp.237-252. *New York: John Wiley & Son Inc*
- Dessley G, Lloyd-Walker, B & Williams A. (1999), Human Resource Mangement (*Australia and New Zealand*), *Sydney Pretice Hall*. P. 349
- Dessley G, (2000), Human Resource Management (8<sup>th</sup> Ed.) *New York: Pretice Hall*. P. 249
- Isiaka S.B. (2011), Motive for training and management development in the Nigerian Banking Industry. *Asia Social Science*. Vol. 7, No 3, March 2011
- Mathis, R & Jackson, J. (2000), Human Resource Management (9<sup>th</sup> Ed.) *Cincinnati OH: South- Western College publishing*. P. 217
- Nwachukwu C.C. (1987), Management: Theory and Practice, *Onitsha, Aficana-Feb Publishers Ltd*, p. 218-241
- Ripley, D.E. (2002), The work environment and training effectiveness: *An overlooked element in human resource manament instruction*. *The University of Canterbury, Christchurch, New Zealand*.
- Riyaz Rainaye (2004), Trainning Effectiveness in Public and Private Sector commercial Banks. *A Micro-Level comparative study. Management and Change*, Vol. 8, No. 1 & 2. P. 49-67
- Stone, R (2002), Human resource management (4<sup>th</sup> Ed.) *Milton, QLD: John Wiley and Sons Australia Ltd*. P. 323
- Udayam Ray, (1996), How to retrain middle managers, *Business Today*, 1996, Jan 7-21 pp. 210-215.
- Watad Mohammed, (1999), Integrated Managerial Training: *A programm for strategic management development*. *Public personnel management, summer, 1999 issue*