

Manpower Training and Development: A Tool for Higher Productivity in Zenith Bank Plc, Maitama Branch, Abuja

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Abstract

The quality of human beings in an organization determines the success of that organization. The improved skills, attitudes and productivity can only be possible through adequate training. Manpower training and development is based on the premise that staff skills need to be improved for organization to grow. The aim of this study is to determine the relationship between manpower training and productivity in Zenith Bank Plc. Data collected by the use of questionnaire was analyzed using chi-square method. Also secondary data obtained from the account statement of Zenith Bank was analyzed using simple regression analysis. The study revealed that there is a positive relationship between cost of manpower training and productivity of Zenith Bank Plc. The researcher recommended that the management should support the training of staff at all levels and also vote a reasonable amount for manpower training and development.

Keywords: banking, profitability, employees, skills.

1. Introduction

The importance of training and development (T&D) cannot be over-emphasized in organizations. This is because the expectation of every employer is the evolution of a competent, capable highly motivated ethical and above all, able work force whose hall marks would be the attainment of organizational goals. But where there is a gap between actual performances and established performance standard, productivity and goals of the organization suffer. However, this can be resolved through an investment in training and developing skills and talents of employees. This is sure to transform marginally competent employees into innovative and motivated top performers. Training and development are inter-woven; they go hand in hand together.

Training is defined as the process specifically designed to impart new skills, knowledge, abilities and activities. Development can be seen as a process of increasing the quality, value, or skill of an employee.

Training and development means different things to different organizations. It is considered as an unnecessary and underused function. Some organizations see it as a waste of money and time. Many organizations fail to understand that manpower training and development can contribute in improving the overall organizational performance or profitability.

Training and development is the most important subsystem or element of human resource management. It concerns increasing, improving, enhancing and modifying employees' skills, abilities, capabilities, and knowledge to enable current and future jobs to be more effectively conducted. These desirable achievements are likely to increase an individual's as well as an organization's productivity which can be in terms of growth, performance or profitability.

Employees are the most important and the most difficult of all the resources in the organization. It is not enough to employ and utilize them, but it is equally important to ensure that they do their job efficiently. This can only be possible through training and development. Globally, managers believe that training and development contributes to the improvement of employees' performance and productivity in organization. That is to say, training and development helps to ensure that organizational members have the knowledge and skills they need to perform their jobs effectively.

Jones, George and Hill (2000) opined that training primarily focuses on teaching organizational members how to perform their current job and helping them acquire the knowledge and skills they need to be effective performers.

Development on the other hand according to the same scholars focuses on building the knowledge and skills of organization members so that they might be prepared to take on new responsibilities and challenges. In this case training tends to be used more frequently at lower levels of an organization; development tends to be used more frequently with professionals and managers.

Cole (2005) defined training as any learning activity which is directed towards the acquisition of specific knowledge and skills for the purposes of an occupation or task while development is seen as any learning activity which is directed toward future needs rather than present needs, and which is concerned more with career growth than immediate performance.

Abiodun (1999) submitted that training is a systematic development of the knowledge skills and attitudes required by employees to perform adequately on a given task or job. It can take place in a number of ways, on-the-job or off-the-job; in the organization or outside organization.

From the foregoing, it can be seen that training and development have complementary roles of raising and sharpening the abilities of the employees for specific tasks and as well as enhancing and sustaining the new level in life.

Productivity is considered to be the most important factor in improving organization performance and company competitiveness as well as a critical long-term resource for national economic and social development. The leading role of productivity in increasing national welfare and organizational growth is universally recognized (Bloom 2010). No organization can exist unless it maintains a competitive level of productivity and quality. Productivity, in its turn, depends on the quality of human resources, as well as their effective use. Productivity implies output per man hour. It is an extremely important concept for a number of reasons. Together with the cost of living and human resource, productivity increases provide the basis for higher wage demand by workers.

The concept of productivity features prominently in industrial relations. Besides, given a firm's human and material resources, significant improvement in output and income can mainly come about through advancement in productivity. The measurement of productivity varies across different sectors of a country. In the private sector, it is measurement based on maximization of profit, maximization of sales, adequate liquidity, minimization of risk and maximization of the firm's value. From the public sector perspective, productivity is measurement based on the efficiency of production. In the public sector, attention on productivity is based on how an enterprise is able to provide certain services or goods in the most efficient manner.

The banking sector is the focus of this study. The role and functions of the banking system in a modern economic system cannot be overemphasized (Oba, 2012). According to Usman (2003), the banking system is often considered as the heart of every prosperous economy. Banks facilitate that transfer of resources from those with excess to those who require extra resources to run their businesses. The Nigerian banking sector has witnessed tremendous growth in the last years. Its assets had grown at a commendable compounded annual growth rate (CAGR) and the sector is now driven by advanced competition brought about by a huge investment in human resources, training and development. Bank managers are realizing the need to respond to emerging customer needs and as such, to remain relevant in this sector, the concept of manpower training and development must be acknowledged. The idea of low productivity and poor service delivery attributable to dearth of training has become a common phenomenon in most banks in Nigeria.

This study focuses on Zenith bank of Nigeria with its Maitama, Abuja branch as the case study.

1.1 Zenith Bank Plc

Zenith Bank Plc is one of the biggest and most profitable banks in Nigeria with total assets plus contingents of N1.66 trillion as at the end of December, 2010.

The bank was established in May 1990 and started operations in July same year as commercial bank. It became a public limited company on June 17th, 2004. The bank presently has a shareholder base of about one million, an indication of the strength of the Zenith Bank.

The operating result of the bank since it went public in 2004 indicated an impressive performance on all parameters. Total assets grew by 759 per cent from N193.3 billion as at June 2004 to N 1.66 trillion in December 2010. Within the same period, shareholders funds rose from N 15.6 billion to N 337.8 billion, indication an increase of 2065 per cent while total deposit jumped by 830 per cent from N131 billion to N1.2 trillion.

Recent financial performance has been equally impressive with results for the fifteen months ending December

2009 showing gross earnings of N277 billion and profit before tax of N35 billion. Profit after tax for the period was N20.6billion.

At Zenith Bank, speed, efficiency and flexibility are abiding watchwords.

The impressive growth pattern and performance over the years have earned Zenith Bank excellent ratings from local and international agencies. Standard and Poor's currently rates the bankingA/-ngA1 on Nigeria National Scale and B+Negative/B on counterparty Credit Ratio. Fitch Ratings Currently rates Zenith Bank AA-(nga) on National Scale and B+/Long-Term IDR.

In January 2009, Zenith Bank was named best bank in private banking in Nigeria' for 2008 by the same organization. It also emerged the 'Best Global Banking Champion' at the 2009 ThisDay Award for Excellence.

Also in January 2009, the bank was adjudged the 'Most Customer-focused Bank in Nigeria (corporate) from a survey conducted by foremost consulting firm, KPMG. The survey which focused on corporate customers of banks, including companies in a variety of sectors, found that they were most satisfied with the services rendered by Zenith Bank. In Jun 2009 Bank was recognized as the bank with the 'Best Asset Quality in Nigeria' by financial Standard newspaper. Earlier in October 2008, Zenith Bank was named Africa's Best Global Bank by the Africa Banker at an impressive ceremony held at the IMF/World Bank meeting in Washington DC. In 2007, Zenith was recognized by the Council of the Nigeria Stock Exchange (NSE), as the 'Quoted Company of the Year'.

In a large organization like the Zenith Bank Plc, getting the right people in the right place and at the right time doing the right thing with necessary skills need careful assessment of human resource needs. This responsibility is in constant focus of manpower development through training and re-training in other to improve competence and sharpens the intellectual skills of staff received prominent in the bank.

However, in recent times, the need to reposition the staff towards achieving corporate mission and vision of the bank has conferred on the human resources department a more strategic role in line with manpower training exercise in the bank. The Zenith bank Plc employs manpower training as an organizational strategy of retaining employees. The extent to which this strategy triggers productivity has been a concern in recent times.

2. Review of Literature and Hypothesis Development

The work of Okoton and Erero (2005) conceptually examines the importance of training and development in public service in the light of the growing complexity of the work environment, the rapid change in organizations and advancement in technology, among other things. The authors noted that Training and development helps to ensure that organizational members possess the knowledge and skills they need to perform their jobs effectively, take on new responsibilities, and adapt to changing conditions. They observe that despite the recognition of the importance of training by management experts and government as expressed in white papers on various reforms in Nigeria, the experience of manpower training and development in the Nigeria public service has been more of ruse and waste. They however stressed the need to introduce new orientations on training that will address training contents; training evaluation; attitudes to training and training utilization in other to enhance maximum economic and social growth in the country.

Similar study has been done by Okereke and Nnenna (2011) on the Perception and relevance of training, and manpower development on job performance among civil servants in Ebonyi State. The study adopts descriptive methodology where a pre-coded questionnaire was administered on 300 civil servants stratified into three categories: GL 04-06; GL 07-12 and GL 13+. The purpose was to ensure equitable representation of civil servants in the study area and to elicit their opinion on the theme of study. The study reveals that the primary aim of training and manpower development was rather to meet statutory requirements , as against improvement on the job and has policy implications for training and manpower development relevant to organizational need or goal to be provided to employees. They conclude that training and manpower development enhance job performance.

The study of Olaniyan and Ojo (2008) conceptually observes the relevance of training and development in enhancing organizational performance. According to the scholars, the need for improved productivity has become universally accepted and that it depends on efficient and effective training is not less apparent. It has further become necessary in view of advancement in modern world to invest in training. Thus the role played by staff training and development can no longer be over-emphasized. As training reduces the work of the manager in terms of close supervision, it also improves the drive, initiative and quality of work of the employees thus

assist them to be more committed to achieving the goals and objectives of the organization and this has the tendency of enhancing effectiveness among workers within the organization. The authors conclude that, for any organization to succeed, training and re-training of all staff in form of workshops, conferences and seminars should be vigorously pursued and made compulsory.

Based on the foregoing this study hypothesizes as follows:

H_0 : There is no significant relationship between manpower training and productivity (profitability) level of Zenith Bank Plc.

H_A : There is significant relationship between manpower training and productivity (profitability) level of Zenith Bank Plc.

3. Methodology

3.1 Sources of Data Collection

Both primary and secondary data were used in this study. The primary data in this case refers to the information collected from Zenith Bank staff through administering questionnaire, while the secondary data entails figures pertaining to profitability and manpower training cost collected from annual financial statement of the Bank. The data collected on profitability and manpower training cost covered the period from 2001 – 2010.

3.2 Population and Sampling Procedure

The researcher employed stratified random sampling which allowed subgroups to be studied in greater details.

In this case, the researcher divided the population into subgroups or strata, which are top management, middle management, supervisors and low level employees of Zenith Bank Plc. The essence of applying random sampling technique was to allow all the member of the population equal chance of participation. The total population of staff in Zenith Bank Plc, Maitama branch is two hundred and ten (210).

The sample sized was determined using the Yaro Yamane formula below:

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

Where:

n = Sample Size

N = population Size

e = level of precision (error limit). For this study, 0.05 on the basis of 95% confidence level.

$$n = \frac{210}{1+ 210(0.05)^2}$$

$$n = 138$$

Therefore the sample size is 138.

3.3 Model Specification

The researcher applied Chi-square test in analyzing primary data while a simple linear regression (OLS) model is employed in the analysis and interpretation of the secondary data. Manpower training and development cannot be directly quantified; hence the amount spent on staff training has been used to represent the level of manpower training and development. Bank performance or productivity is being represented by annual profit of the bank. The e-views 4.0 software is used to give the relevant diagnostic statistics.

In the context of this study, the model that links the variables of interest takes the following format:

$$bprof = a_0 + a_1tcost + U \quad (2)$$

Where:

bprof = Profitability level

a_0 = Intercept/Constant

a_1 = coefficient of training cost

tcost = Cost of manpower training in the Bank

U = error term that explains the effect of other factors not included in the model.

4. Results and Analysis

Table 1 Questionnaire Distribution

Management Team	No of Response	Percentage %
Top management	20	14.5
Middle management	40	29.0
Supervisor	32	23.2
Low level Management	46	33.3
Total	138	100.00

Table 2 Response Rate

Questionnaire	Top Management	Middle Management	Supervisors	Low level Management	Total	Percentage %
RETURNED	13.04%	37(26.81%)	27(19.57)	38(27.54%)	120	86.96
NOT RETURNED	2	3	5	8	18	13.04%
TOTAL	20	40	32	46	138	

The table revealed that 13.04% of the top management returned their questionnaire to the researcher for analysis, 26.81 % of the middle management level was returned, 19.57% of the supervisors were returned and 27.54% representing low level management were carefully filled and returned for analysis.

Table 3 Distribution of Respondents by Educational Background

EDUCATIONAL BACKGROUND	TOP MANAGEMEN T	MIDDLE MANAGEMEN T	SUPEVISOR S	LOW LEVEL MANAGEMEN T	TOTA L	PERCENT AGE
MASTERS	05	02	0	0	07	5.83
PGD	07	10	04	0	21	17.50
B.SC /HND	04	14	12	06	36	30.00
DIPLOMA	0	05	04	14	27	22.50
PROFESSIONAL QUALIFICATION	02	06	03	0	11	9.17
WASC/GCE	0	0	0	18	18	15.00
TOTAL	18	37	27	38	120	100

The table above shows the educational background of the respondents. It can be seen that 5.83% of the respondents were holders of Master Degrees, 17.50% were post-graduate Diploma and Higher National Diploma from different fields. Also, 22.50% were Diploma holders, 9.17% were for professional Qualification and 15.00% were with WASC / GCE qualification.

Table 4 Manpower Training and Development results in higher productivity of Zenith Bank.

RESPONSE	TOP MANAGEMENT	MIDDLE MANAGEMENT	SUPERVISORS	LOW LEVEL MANAGEMENT	TOTAL	PERCENTAGE %
STRONGLY AGREE	10	15	08	02	35	29.2%
AGREE	08	20	12	18	58	48.3%
UNDECIDED	0	02	04	08	14	11.7%
DISAGREE	0	0	02	06	08	6.7%
STRONGLY DISAGREE	0	0	01	04	05	4.2
TOTAL	18	37	27	38	129	100

As indicated in the table above, 29.2% strongly agreed that manpower training and development results in higher productivity in Zenith Bank, 48.3% agreed to that, 11.7% of the employees were undecided, 6.7% disagreed and 4.2% strongly disagreed. It can be said that the majority of the employees in Zenith Bank know the value of training and development which can be translated into higher productivity (profitability) of the Bank.

Observed and expected frequencies were analyzed. The decision rule is to reject the null hypothesis if calculated value is greater than the critical value at 5% and vice versa. Calculated value of X^2 at 29.78 is greater than the critical value X at 21.026 we can now reject the null (H_0) hypothesis and accept the alternative (H_A) hypothesis which states that there is significant relationship between manpower training and productivity (profitability) level of Zenith Bank Plc Maitama branch.

Table 5 Data on Staff Training Cost and Profitability Level from Account statement of Zenith Bank Plc 2001-2010.

YEARS	COST OF STAFF TRAINING	BANK PROFIT
2001	1,145,227	2,418,243
2002	2,218,670	3,504,013
2003	3,363,897	4,424,186
2004	4,509,124	5,190,768
2005	5,860,620	7,155,926
2006	9,224,517	11,489,000
2007	13,733,641	17,509,000
2008	31,562,720	46,524,000
2009	41,913,000	18,365,000
2010	31,428,000	33,335,000

Table 6 Regression Results for Bank Profitability and Staff Training cost

Dependent Variable: BPROF				
Method: Least Squares				
Date: 07/25/11 Time: 08:21				
Sample: 2001-2010				
Included observations: 10				
BPROF=C(1)+C(2)*TCOST				
	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	3.674619	4.274130	0.859735	0.4150
C(2)	0.780694	0.211431	3.692427	0.0061
R-squared	0.630212	Mean dependent var		14.99151
Adjusted R-squared	0.583988	S.D. dependent var		14.60569
S.E. of regression	9.420519	Akaike info criterion		7.500514
Sum squared resid	709.9694	Schwarz criterion		7.561031
Log likelihood	-35.50257	Durbin-Watson stat		1.240171

$R^2 = 0.63$; Adjusted $R^2 = 0.58$; $P < .01$: Durbin-Watson = 1.24

From Table 6 above, the value of R^2 is 0.63. This implies that training Cost accounts for 63% of the variation in Bank Profitability. About 37% of the variation in Bank Profitability cannot be explained or accounted for by training cost alone. Some other factors not included in the model but influencing Bank Profitability are accounted for the remaining percentages. For training cost alone to account for 63% of Bank Profitability is an indication of how important this factor is in the model. The adjusted R^2 is 0.58. This indicates that if the model is derived from the population rather than from the sample, it would account for approximately 5% less variance in Bank Profitability. Thus, the Adjusted R^2 shows that training cost accounts for 58% of the variation in Bank profitability in the population.

The coefficient of staff training cost, $tcost$ (a_1) is 0.78. This represents the change in Bank Profitability associated with a unit change in staff training cost. If staff training cost is increased by 1 unit, then the model predicts that 0.78 extra naira will be made by the Bank as profit, that is, a one percent increase in staff training cost will lead to a 0.78% increase in Bank profitability. Since the unit of measurement is in millions of Naira, it implies that for an increase in staff training cost of N 1,000,000, the model predicts N 780,000 ($0.78 \times 1,000,000 = 780,000$) extra profit (The margin of profit when compared to the level of investment appears to be poor and low. The investment is pretty bad for the bank). However, the Durbin-Watson statistics which is 1.24 suggests that there is no autocorrelation in the model.

The signs of the coefficient of the predictor ($tcost$) and the corresponding t-statistics are positive. This shows that training cost has a positive relationship with Bank profitability. This relationship is statistically significant at 1% level. Also, at this level of significance ($P < 0.01$), staff training cost has a significant impact and influence on Bank Profitability. As staff training cost increases, Bank Profitability also increases, though at a low percentage. In a nutshell, staff training cost ($tcost$) makes a significant and positive contribution ($P < 0.01$) to predicting bank profitability and thus, the above stated hypothesis (hypothesis 1) is rejected at 1% level of significance.

We uphold the alternative hypothesis that there is significant relationship between manpower Training and Bank productivity (profitability) and that the costs of staff training have a significant impact on Bank profitability during the period under review. The significant relationship between Bank profitability and staff training cost as well as the significant impact of cost of manpower training on Bank profitability are positive.

5. Conclusion

Generally speaking, this research study came up when the Nigerian banking industry is passing through a kind of

serious scrutiny as well as competition and for Zenith Bank to survive, it needs to continuously train and develop its staff.

Training has been observed to be part of human development. Training is aimed at increasing personnel efficiency, professional growth and more effective organization operation.

Changes in technologies and automation and the consequent effect they have on the existing skills and jobs have necessitated the need for the continuous training of the employees. In recognition of this fact, it is shown that above 66% of the respondents agreed that Zenith Bank makes provision for the training of employees annually. This implies that the organization recognizes the value of training employees which increases the skills, modifies the behavior or attitude that results in efficient service and higher output.

It is also discovered that there is a relationship between manpower training and the profitability of Zenith Bank Plc. This implies that the increase in the cost of manpower training leads to increases in profitability of the Bank.

Based on the findings, it is abundantly clear that any organization which seeks to succeed and continue to grow progressively given the dynamic nature of our environment and the complication and rapid technological advancement, must take training and development of its manpower seriously. This study thus recommends that the management of Zenith Bank Plc should carry out regular assessment of employees' skills, competencies and attitudes which would serve as a basis for designing an appropriate manpower training program that is suitable for each level in organization. The bank's management should also support the training of lower level of employees. That is, training and development should not only be limited to a particular section of people but to all staff that are working in the organization in order to create good will and fairness. A reasonable amount should also be voted to manpower training and development.

Proper manpower training records should be kept and an evaluation system be taken at the end of each course very seriously. Future research works should also be conducted along this line. More banks (both first and second generation Nigerian banks) could be incorporated. This study could be further extended to other sectors while moderating variables in the training-productivity relationship could also be examined.

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