The Need for Capacity Building in Human Resources Management Development in the Financial Institutions in Nigeria

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ABSTRACT

This study was carried out to investigate the need for capacity building in human resource management development in the financial institutions in Nigeria. A study of selected financial institutions in Nigeria namely, Heritage Bank Plc, Fidelity Bank Plc, StanbicIBTC Bank Plc, Sterling Bank, Diamond Bank Plc and Unity Bank Plc. The research design was a survey. The population was eighty (80) out of which forty-three (43) top management staff of the financial institutions under study were randomly selected for the study. The instrument used for the study was the questionnaire which was validated by professionals in the field or area of study. The mean rating was used to analyze the data. The study revealed that capacity building enhanced the proficiency of the top management staff of the financial institutions under study. It also revealed that capacity building enabled the management staff to develop competencies and skills that can make them more effective and sustainable. The study recommended conducting training need assessment, engaging stakeholders on capacity development, an effective capacity building process must encourage participation by all those involved assessing capacity needs, formulation of a capacity development response and implementation of a capacity development response for effective capacity building in financial institutions in Nigeria.

Keywords: Capacity building, human resource management, Development, Financial institutions, employee involvement, top management staff

INTRODUCTION

Capacity can be define as the ability of human institutions and societies to perform successfully to identify and reach their goals and to change when necessary for sustainability, development and advancement purposes (Ubels et al., 2010). Capacity development is considered an endogenous dynamic process that relies on one’s motivation, effort, and perseverance to learn and progress (Lopes and Theisohn, 2003). The European centre for development policy management (ECPPM) at plains its perspective on capacity based on five core capabilities namely capacity to act and self-organize capability to achieve coherence” (Fowler and Ubels, 2003).

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Capacity development is very much related to the ways organizations operate (Fowler and Ubels, 2010). Culture bears an understand of the way an organization operate, its procedure beliefs and values it is usually affected by the people employed in it the past incident present influences and the type of work it undergoes (Handy, 1999). New skills competencies and training are important features to be acquired in an organization for capacity development; material resources such as equipment on capital assets are also imperative for this purpose (Fowler and Ubels, 2010) capacity development and its impacts should be continuously existing gaps would be filled to ensure constant progress.

Statement of the Problem

In order for an organization to meet its goals and build competitive advantage through its people, it must carry out effective capacity building in human resource management development; with effective capacity building strategy, the organization can be assured of the availability of the right
kind of people the right number, in the right place number in the right place and at the right time. In order to do this an organization needs to have a clear idea of the strengths and weaknesses of its existing internal labour force, and be able to identify what changes must take place in human resources in order to meet its business goals whether at present or in the future capacity development and its impacts should be continuously assessed in an organization so that existing gaps could be filled too ensure constant progress. Disregarding capacity building programmes would probably lead to lack of growth and possible failure.

Objective of the Study
The two main objectives of the study are
i. To identify the extent to which capacity building enhances the proficiency of the top management of the financial institutions under study.
ii. To find out whether capacity building assist the top management staff to develop competencies and skills that can make them more effective and sustainable

Research Questions
The following two questions were raised to guide the study
i. To what extent does capacity building enhance the proficiency of management staff in organizations
ii. Does capacity building assist top management staff to develop competencies and skills that can make them more effective and sustainable?

Scope of the Study
The scope of the study comprised of selected top management staff of financial institutions in Nigeria, namely, Heritage Bank Plc, Fidelity Bank Plc, Stanbic IBTC Bank Plc, Sterling Bank Plc, Diamond Bank Plc and Unity Bank Plc. The task of this study was on the need for capacity building in human resources management development in the financial institutions in Nigeria.

Conceptual Framework
In general terms, capacity building can be defined as a process or activity that improves the ability of a person or entity to carryout stated objectives (Cohen, 1993), which means the combination of people institutions and practices that permits countries to reach their developmental goals. Capacity building capacity development, empowerment and strengthening means virtually the same concept throughout literature. Capacity building is described as an increase in the ability of a social organization to achieve the goals that are set by that organization. Capacity building is a process that improves the ability of a person, group organization or system to meet its objectives or to perform better.
Capacity building is defined as the ability of an organization to achieve their mission in an effective manner. It can also be described as the strategies or actions that an organization takes to ensure that is have the resources needed to succeed. These actions can include resource development, financial management (diversification of funding sources, organizational learning leadership in other words capacity building is any set of actions that organizations take to improve its ability to perform successfully in its chosen area.
Capacity building is not a onetime effort to improve short term effectiveness, but a continuous improvement strategy toward the creation if a sustainable and effective organization specifically, capacity building encompasses the country’s human scientific technological organizational, institutional and resource capabilities.
Capacity building is much more than training and includes the following.
a. Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.
b. Organizational Development, the elaboration of management structures processes and procedures, not only within organizations but also the management of relationships between the different organizations and sectors (public, private and community)
c. Institutional and legal framework development making legal and regulatory changes to enable organizations institutions and agencies at all levels and in all sectors to enhance their capacities.
Importance of Capacity Building

i. Bratton and God (2007) identify the following importance of capacity building capacity building enables non-profit organizations and their leaders to develop competencies and skills that can make them more effective and sustainable thus increasing the potential for charitable non-profit to enrich lives and solve society’s most intractable problems.

ii. A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial question related to policy choices and modes of implementation among development options, based on an understanding of environmental potentials and limits and of need perceived by the people of the country concerned.

iii. Capacity building is important because it encourages the leadership of an organization to evaluate their abilities to perform in a complex environment.

iv. Capacity building is important because evaluation process coupled with the implementation component help ensure organizational success and sustainability.

v. Capacity building helps to tackle problems relating to policy and methods of development while considering the potential limits and needs of the people of the country concerned.

People of the country concerned.

According to Armstrong (2010), the major restrictions which are impeding human capacity building processes involve performance appraisal and reward management systems, employee involvement and motivation as well as human resource management recruitment, selections and retention.

Framework for understanding organizational capacities

The framework for understanding organizational capacities consists of four key areas dun don and wilkinson (2013).

1. **Leadership Capacity**

   Leadership capacity is the ability of all organizational leaders to create and sustain the vision, inspire model direction and innovate all in an effort to achieve the organizational mission. This includes areas such as.

   a. **Governance**: The overall processes and structures used by the board direct and manage an organizations operations and activities.

   b. **Internal leadership**:This refers to those organizational leaders outside of the board and their ability to apply mission centred focused and inclusive approach to making decisions and motivating people to act on those decisions.

   c. **Sustainability**: This is the organizational ability to cultivate organizational leaders, avoid over relying on one leader, and plan for leadership organizational leaders, avoid over relying on one leader, and plan for leadership transaction.

2. **Management Capacity**

   Management capacity is the ability of an organization to ensure the effective and efficient use of organizational resources. Essentially, this means an organizations capacity to serve more constituents more effectively included here are areas such as-

   a. **Human resources**: This area includes all areas related to staff management such as assessment of staff performance managing performance expectations programme staffing, staff development salary and benefit administration and relevant policies and procedure. Am important component of human resources is the area of volunteer management. This refers to the capacity of the organization to recruit, train, retain and reward volunteers.

   b. **Financial management**: The ability to manage and deploy organizational revenues and assets to ensure efficient operations (Stoure and Barr, 2005).

3. **Technical Capacity**: This refers to whether the organization has the skills, tools and facilities to deliver its programmes and manage its operations specific areas of focus include;

   a. Programme design and evaluation. The ability to design and implement an effective evaluation, this refers to the technical skills of developing a proper design for the programme to give model or other evaluation tool that can measure the effectiveness of programming. This is different than utilizing the result of the evaluation for on-going learning and improvement.

   b. Fund raising skills. The ability to procure the financial and in kind resources necessary for efficient operations
c. Marketing skills: the capacity to communicate effectively with both internal and external stakeholders
d. Technology skills: the ability to run efficient operations.

4. Adaptive Capacity
This refers to the ability of an organization to monitor, assess, respond to and create internal and external changes. The concept of a learning organization is captured in this area of organizational capacity.

METHODOLOGY
The survey method was used for this study. The instrument for data collection was the questionnaire which was validated by experts in the field or area of study. A sample size of forty-three (43) top management staff of the financial institutions under study were drawn from the population of eighty (80) through simple random sampling techniques namely, Heritage Bank Plc, Fidelity Bank Plc, Sterling Bank Plc, Diamond Bank Plc, and the Unity Bank Plc all in Nigeria. The questionnaire were personally administered 43 copies were distributed and 40 were returned.

Method Of Data Analysis
The use of mean method was adopted in analysing the data. The five point Likert scale was used to analyse questions to which values were attached as follows.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agreed</td>
<td>5</td>
</tr>
<tr>
<td>Agreed</td>
<td>4</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
</tr>
<tr>
<td>Strongly disagreed</td>
<td>2</td>
</tr>
<tr>
<td>Disagreed</td>
<td>1</td>
</tr>
</tbody>
</table>

Considering the Likert type of rating scale of 5, 4, 3, 2, 1, mean is calculated thus

$$X = \frac{\sum NR}{N}$$

Where $X = \text{Mean}$

$\sum = \text{Summation sign}$

$N = \text{Nominal value for an item}$

$R = \text{Number of respondent to an item}$

$$\frac{5+4+3+2+1}{5} = \frac{15}{3} = 3.0 \text{ (mean)}$$

Decision rule
Any response from 3.0 and above is accepted while any response below 3.0 and above is accepted while any response below 3.0 is rejected.

Analysis.

Research Question 1:
How does capacity building enhance the proficiency of management staff in organizations?

<table>
<thead>
<tr>
<th>S/N</th>
<th>VARIABLE</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>U</th>
<th>MEAN</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capacity building enables organization leaders to develop competencies and skills</td>
<td>15</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>3.6</td>
</tr>
<tr>
<td>2</td>
<td>Capacity building makes management staff to perform their jobs accurately</td>
<td>13</td>
<td>14</td>
<td>6</td>
<td>7</td>
<td>3.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Capacity building helps top management staff in organizations to tackle problems relating to policy</td>
<td>12</td>
<td>21</td>
<td>1</td>
<td>5</td>
<td>3.9</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Capacity building helps to ensure organizational success</td>
<td>11</td>
<td>18</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>3.7</td>
</tr>
<tr>
<td></td>
<td>Grand mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.7</td>
<td></td>
</tr>
</tbody>
</table>
The response shows that capacity buildings enable organization leaders to develop competencies and skills with a mean of 3.6. it makes top management staff to perform their jobs accurately has a mean of 3.5, capacity building helps top management staff to tackle problems relating to policy with the mean of 3.9 and ensuring organizational success with a mean of 3.7

The grand mean of 3.7 testifies to the face that capacity building enhances the proficiency of management staff in organizations this was accepted by majority.

Research question 2:- How does capacity building assist top management staff to develop competencies and skills?

<table>
<thead>
<tr>
<th>S/N</th>
<th>VARIABLE</th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>MEAN</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capacity building helps the manager to achieve the goals of the organization as well as their individual goals</td>
<td>14</td>
<td>13</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>3.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Capacity building helps to expand the horizons of human intellect</td>
<td>13</td>
<td>20</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3.9</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Capacity building helps in improving the morale of the work force</td>
<td>12</td>
<td>16</td>
<td>2</td>
<td>1</td>
<td>9</td>
<td>3.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Capacity building helps in carrying out organizational policies</td>
<td>3</td>
<td>4</td>
<td>13</td>
<td>14</td>
<td>6</td>
<td>2.6</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Grand mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.4</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

The table shows that capacity building helps top management staff achieve the goals of the organization as well as their individual goals. This was accepted with the mean of 3.6. the assertion that capacity building helps management staff to expand the horizons of human intellect was accepted with a mean of 3.9, capacity building helps to improve the morale of the work force was also accepted with the mean of 3.5 while the assertion that capacity building helps top management staff in carrying out organizational policies was rejected with a mean of 2.6. The grand mean of 3.4 shows that capacity building assist top management staff to develop competencies and skills in financial institutions.

FINDINGS
This study came up with the following findings
i. Capacity building enhances the proficiency of the top management staff of financial institutions in Nigeria. Proficiency on the part of management staff depends on the quality of training obtained for top management of financial institutions in Nigeria to be proficient there must be adequate capacity building in their organizations
ii. Capacity building assist top management staff in financial institution in Nigeria to develop competencies and skills that can make them more effective and sustainable capacity building increases the efficiency of top management staff in the organization.

CONCLUSION
The study examined the need for capacity building in human resources management development in the financial institutions in Nigeria using selected commercial banks. The study revealed that there is significant relationship between capacities building in enhancing the proficiency of top management staff in the financial institutions in Nigeria. There is also a significant relationship between capacity building in assisting top management staff to develop competencies and skills that can make them more effective and sustainable.

RECOMMENDATIONS
Based on the findings, the following recommendations are made for effective capacity building in the financial institutions in Nigeria.
1. Conducting training need assessment
2. Engage stakeholders on capacity building process must encourage participation by all those involved. If stakeholders are involved, they will feel more responsible for the outcome and sustainability of the development. Engaging stakeholders who are directly affected by the situation allows for more effective decision-making. It also makes development work more transparent.

3. Assess capacity needs and assets assessing pre-existing capacities through engagement with stakeholders allow capacity builders to see what areas require additional training, what areas should be prioritized, in what way capacity building can be incorporated into local and institutional development strategies.

4. The top management staff require development and training in order to gain more insight and awareness of their managerial effectiveness for enhanced capacity building purposes. Therefore, management development of the top management staff should be planned strategically in order to enhance their self-development and self-management.

5. Implement a capacity development response. Implementing a capacity building programme should involve the inclusion of multiple systems, national local institutional. It should involve continual assessment and expect change depending on changing situations. It should include evaluation indications to measure the effective of initiated programmes.

6. Evaluates capacity development evaluation of capacity building promotes accountability. Measurement should be based on changes in an institution's performance. Evaluation should be based on changes in performance based around the four main issues, institutional arrangement, leadership knowledge, and accountability.

REFERENCES
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