Assessment of the Effect of Inadequate Human Resources on the Performance of Banks in Yola, Adamawa State

Stephen Pembí

Department of Business Administration, Faculty of Social and Management Sciences, Adamawa State University, Mubi

E-mail: stephenpembi@gmail.com

Abstract: Effective human resource practices relate to company performance by contributing to employee and customer satisfaction, productivity, and development of a favourable reputation of the firm in the industry. Inadequate human resources (HR) could lead to low productivity in organizations. Therefore, the major objective of this study is to examine the effect of inadequate human resources on performance of banks in Yola. The study employed survey design. Both primary sources of data were used in sourcing data for the study. Accidental sampling method was employed to sample and administered 320 questionnaires to respondents. Date collected was subjected to descriptive statistics such as percentage analysis. The result of the study showed inadequate human resources affect the performance of Banks negatively. Based on the findings, it was recommended that the Management of Banks need to see human resources as a vital aspect in the institutions performance and should provide adequate human resources by recruiting more hands in the organization.

Keywords: Recruitment, Selection, Orientation, Compensation, Performance Appraisal, Training and Development.

1. INTRODUCTION

Human Resources (HR) is integral to the efficient running and continued success of businesses, enterprises and even start-up companies. At times, many corporations and business owners due to circumstances, certain business factors or extraneous issues have a badly mismanaged top management tier and inconsequential human resources (HR). The resultant effect of inadequate human resources has an immediate and long-term impact on organizational performance and functioning, employee recruitment and management policies and corporate profitability (Pallap, 2005). An incompetent and inadequate functioning of human resources reflects the overall state of affairs of an organization and its possible uncompetitive position in the marketplace (Pallap, 2005).

According to Susan, (2012), human Resource is the function within an organization that focused on recruitment of, management of, and providing direction for the people who work in the organization. It is also a strategic and comprehensive approach of managing people and the work place culture and environment (Susan, 2012). Effective and availability of Human resources enables employees to contribute effectively and productivity to the overall company direction and the accomplishment of the organization’s goals and objectives (Susan, 2012). Inadequate human resource is the shortage of manpower to carry out activities associated with human resources planning, recruitment, selection, orientation, training, appraisal, motivation and also a function within an organization that focuses on people (Akintayo, 2005). Of all the task of management, managing the human component is the central and most important task because all else depend on how it is done.

Human resource management refers to the policies and practices involved in carryout the human resources aspect of management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development and about relations (Fajana, 2002). According to Kayode (2001), human
resources are the set of individuals who make up the workforce of an organization. Human capital in sometimes used synonymously with human resources, although human capital refers to a more narrow view that is, the knowledge the individual embody can contribute to an organization. Other terms sometimes used include manpower, talent, labour or simply people.

Human resource refers to the capabilities of human persons to perform task this means that those who are not capable of performing tasks will not be regarded as human resources (Kayode, 2001). It is important to note that it is the individual that determines and chooses in what type of organization’s human resources she wants to belong. This means that people are not forced to belong to the human resources for an organization rather it is a person’s determination, zeal, expertise and ambition that make one belong to the work force of the organization (Remond & Okoye, 2013).

Therefore human resources are the most important asset of an organization. It forms a greater and reasonable portion of organization’s resources. Human resource is directly connected to the success of an organization and therefore must be planned; the process by which management attempts to provide for its human resources to accomplish its task on the performance of an organization is called manpower planning (Remond & Okoye, 2013).

The precautions of social, environment, political and economic factors which have forced many organizations to retrench their workers, makes the organization to produce inadequate human resources far below capital utilization. Human resources of any organization hold the key to its survival, profitability and sales growth which entails prosperity, future economic and social development (Remond & Okoye, 2013).

Every organization needs three main resources to survive such as financial resources, physical resource which includes material, and human resources (Onuka, 2006). Any organization needs money to pay its staff and buy essential materials or equipment for operation. There is no organization without human resources. Even though an organization has got all the money and machine or material needs, it must still find capable people to put them into effective use (Onuka, 2006).

It is therefore logical to conclusion that inadequate human resources affect the performance of any organization. Thus, human resources are the most important of the three essential resources of an organization. Because no matter the amount of capital invested in an organization its success or failure depends on the quality of people who execute its programme (Nwankwo, 2000). Most organization tries to maintain adequate and strong human resource for optimal performance. In order for organization to survive, it must train and develop its human resources, for it is the human resources that hold the key to its performance, survival and prosperity, future economic and social development.

Adequate human resource is about the formation of values and attitude of people in an organization. Therefore, human resources are universal norms and not a view concept. There is no industry, firm, organization, business enterprises and nation that can boost a political, economic and social stability, quality product and profitability without adequate human resources in place to enhance performance in an organization. In recent years, it has been noted that good number of business establishments are having poor performance as a result of lack of effective and efficient human resources. Business is full of uncertainty and the understanding of labour contribution or human resources development which is vital for management especially in the areas of boosting organizational productivity and as well its profitability.

It is against these problems that this study is being carried out to examine the effect of inadequate human resources on the performance of an organization with specific reference to Banks, Yola covering the period of 2011-2016. However, this question is set to guide the study: What are the effects of inadequate human resources on the performance of Banks, Yola?

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Human resource management is a discipline, a professional specialization that has developed in recent years as a broad spectrum, encompassing various field incorporated and synthesis with certain element of personnel management organizational behaviour industrial and labour relationship (Okoye & Raymond, 2013).

According to Susan, (2005), Human resource management is the function within an organization that focuses on recruitment of, management of and providing direction for the people who work in the organization. Human Resource management can also be performed by line manager. Human resource management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration and training (Susan, 2012). Human
resource management is also strategic and comprehensive approach to managing people and the work place, culture and environment. Effective Human resource management enables employees to contribute effectively and productively in the overall company direction and the accomplishment of the organization’s goal and objectives (Susan, 2012).

Human resource management refers to the policies and practices involved in carryout the human resources aspect of management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development and labour relations (Dessler, 2007). Human resource management is composed of the policies, practices and system that influence employee’s behaviour, attitude and performance (Wright & Geroy, 2001).

According to Olaniyan, and Lucas, (2013), Human resource is touted as the most important, influential and impactful asset of an organization. They further asserted and designed human resource as consisting of men and women working for an organization irrespective of the post they occupy or holding in organization. Since the use of human resources and manpower are the same then, it indicates that human resources means having the right people possessing the right skills in place at right time (Lazar, 2001).

According to business dictionary (2012), human resource is the division of a company that is focused on activities relating to employees. These activities include recruiting and hiring of new employee, orientation and training of current employees, employee benefit and retention formerly called personnel. Human resources are the set of individuals who make up the workforce of an organization. Human capital in sometimes used synonymously with human resources, although human capital refers to a more narrow view that is, the knowledge the individual embody can contribute to an organization.

Akintayo, (2005) stated that human resources ensure the right people, at the right time doing the right thing to ensure that goal of the organization are achieved. It is important to note that it is the individual that determines and chooses in what type of organization’s human resources she wants to belong. This means that people are not forced to belong to the human resources for an organization rather it is a person’s determination, zeal, expertise and ambition that make one belong to the work force of the organization.

Therefore human resources are the most important asset of an organization. It forms a greater and reasonable portion of organization’s resources. Human resource is directly connected to the success of an organization and therefore must be planned; the process by which management attempts to provide for its human resources to accomplish its task is called manpower planning (Okoye & Raymond, 2013).

Organization Nowadays, enterprises are turned to the intangible and invisible capital, named intellectual capital. Productive tangible assets like raw materials, basic assets, and even managerial knowledge are not seen anymore as resources that create new and prosperous enterprises. Instead, knowledge, innovation and cooperation are becoming the three basic elements of the new infrastructure necessary to create prosperity in the new economy (Delaney & Huselid, 1996).

The importance of Human Resources to organizations cannot be overemphasized. For instance, it will enable organizations to keep accurate and detailed personnel records, rather than forecast intuitively (Obi, 2002). It will also permit Human Resource planners to monitor the action rates in various departments of the local government. Such vital records/data can provide information for recruitment and hiring as well as clues about morale of employees. These information and clues could be useful to Organization for human resources planners.

Also, adequate human resource is important because it will not only help organizations to use their manpower resources optimally but also to ensure that organization’s human resources can meet up with the demands of the prevailing socio-economic, political and technological changes at all times. Adequate human resources is very important in order to prevent severe budget crises, because, if this situation arises, the only option usually left for management is retrenchment of large number of employees, or induce voluntary retirement by offering financial incentives. Alternatively, management could freeze employment or combine all the alternatives highlighted above (Moses, Stephen & Basil, 2013).

This study is based on resourced based-theory propounded by Barney in 1991. The resourced based theory of the firm contended that human resources can provide a source of sustained competitive advantage when four basic requirements are met. First they must add value to the firm’s production processes; level of individual performance must matter.
Second, the skill the firm seeks must be rare. Since human performance is normally distributed, all human resources must meet both of these criteria. The third criterion is that the combined human capital investment of firm’s employee’s representative cannot be easily initiated as equipment or facilities. Investment in firm’s specific human capital can further decrease the probability of such limitations by qualitatively differentiating a firm’s employees from those of its competitors. Finally, human replacement by technology advances or other substitute if they are to provide a source of sustainable competitive advantage.

Barley further argued that human resources management practices can affect such discretionary effort through their influence over employee skill, and motivation and through organizational structures that provide employees with the ability to control of how their roles are performed. Adequate human resources practices influence employee skills through the acquisition and development of a firm’s human capital. Recruiting procedures that provide a large pool of qualified applicant, paired with a reliable and valid selection regimen will have a substantial influence over the quality and types of skills new employees possess.

Thus, the theoretical literature clearly suggests that the behaviour of employees within an organization has important implications especially when human resources are inadequate. Human resources management practices can affect individual employee performance though their influence over employee skills and motivation and through organizational structure that allow employee to performance.

### 3. RESEARCH METHODOLOGY

Research methodology is the process of solving problem systematically by research. In order to achieve the objectives of the study, survey approach was adopted and the focus of this study was cross-sectional in nature. The survey approach was used because it has advantage of identifying attributes of a large population from a small group of individuals, the nation of the plan and the rapid approach in data collection (Babbie, 2007). Questionnaires were administered using convenience sampling technique to 320 staff. Respondents were asked to rate variables on the concept of Human resources in general perspective using four (4) Likert scale ranging from Strongly Agree (4) to Strongly Disagree (1). The data collected were subjected to descriptive statistics such percentage analysis.

### 4. DATA ANALYSIS, RESULTS AND DISCUSSIONS

In this study 320 questionnaires were administered to various respondents and 270 were completed and returned which give 84% of the total instruments disseminated. The remaining 50 or 16% of questionnaire were unreturned.

#### Table 1: Analysis of demographic factors

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>165</td>
<td>61.1</td>
</tr>
<tr>
<td>Female</td>
<td>105</td>
<td>38.9</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 20 years</td>
<td>20</td>
<td>7.4</td>
</tr>
<tr>
<td>21-35 years</td>
<td>80</td>
<td>29.6</td>
</tr>
<tr>
<td>36-45 years</td>
<td>121</td>
<td>44.8</td>
</tr>
<tr>
<td>≥ 46 years</td>
<td>49</td>
<td>18.1</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational background</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First School Certificate</td>
<td>08</td>
<td>3.9</td>
</tr>
<tr>
<td>WAEC/SSCE</td>
<td>52</td>
<td>19.3</td>
</tr>
<tr>
<td>ND/OND</td>
<td>118</td>
<td>43.7</td>
</tr>
<tr>
<td>Degree/HND</td>
<td>72</td>
<td>26.7</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>20</td>
<td>7.4</td>
</tr>
</tbody>
</table>
From the table 1 above, a total of 165 (61.1%) of the respondents are male, while 105 (38.9%) are female in gender. It means that male gender responded to the questionnaire more than the female gender or the majority of the workers could be male gender.

From the table, 20 (7.4%) of the respondents are between 20 years and below in ages, 80 (19.6%) are between 21-35 years, 121 (44.8%) are between 36-45 years and 49 (18.1%) are between the age 46-60 years. Therefore, from this analysis, it is clear that majority of the respondents fall within the ages of 36-45 years.

From the table, a total of 8 (3.9%) of the respondents are holders of first school leaving certificate, 52 (19.3%) holds WEAC/SSCE, 118 (43.7%) holds diplomas, 72 (26.7%) are holders of Degree/HND, while 20 (7.4%) holds various postgraduate qualifications. Therefore, it is clearly from the analysis that the majority of the respondents are holders of diploma certificates.

From the table, 78 (28.9%) of the respondents had 1-5 years in service, 102 (37.8%) had 6-10 years in service, 90 (33.3%) had greater or equal to 11 years in service. Hence, those who served within the range of 6-10 years were the majority of the respondents.

### Table 2: Effect of inadequate HR on organizational performance

<table>
<thead>
<tr>
<th>S/n</th>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inadequate HR are the reasons for chaotic situations in banks</td>
<td>145</td>
<td>102</td>
<td>23</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td>(53.7%)</td>
<td>(37.8%)</td>
<td>(8.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Inadequate HR has long term effect on Banking performance</td>
<td>125</td>
<td>100</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>(46.3%)</td>
<td>(37%)</td>
<td>(11.1%)</td>
<td>(55.6%)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Inadequate HR leads to poor or low performance in banks</td>
<td>99</td>
<td>90</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>(36.7%)</td>
<td>(33.3%)</td>
<td>(13.7%)</td>
<td>(16.3%)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Inadequate HR lead to employees stress in banks</td>
<td>99</td>
<td>92</td>
<td>36</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>(36.7%)</td>
<td>(34.1%)</td>
<td>(13.3%)</td>
<td>(15.9%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey, 2017
In the same way, the table indicated that 125 (46.3%) of the respondents strongly agreed, 100 (37%) agreed, 30 (11.1%) disagree, and 13 (5.6%) strongly disagreed that inadequate human resources have long-term negative impact on organizational performance. From these assertions, a higher percentage of the respondents strongly agreed that inadequate human resources have long-term impact on organizational performance which could affect the organizational performance negatively.

Also, from the analysis from the table revealed that 99 (36.7%) of the respondents strongly agreed, 90 (33.3%) agreed, 37 (13.7%) disagree, while 44 (16.3%) of respondents strongly disagreed with the statement that inadequate HR in organizations leads to poor performance and low productivity. Therefore, it is logical to conclude from the analysis that, majority of the respondents strongly agreed inadequate Human Resources leads to poor performance and low turnover rate of productions.

Finally, it was revealed from the table that, 99 (36.7%) of the respondents strongly agree, 92 (34.1%) of agree, 36 (13.3%) disagree, while 43 (15.9%) strongly disagreed that inadequate HR leads to employees stress in organizations. Therefore, it could be deduced from the analysis that, majority of the respondents strongly agreed that inadequate HR leads to employees stress in organizations which could also affects productivity of the organizations.

5. CONCLUSION

In conclusion, performance of organization could be explained by its effective recruitment and selection practices and performance appraisal practices. As the review of the literature showed, the research has established that although the value of organization’s human resource assets may not show up directly on records, human resources management nevertheless, has significance on the performance of organization. However, there was evidence to show from the computed chi-square test that inadequate human resources have significant effects on the performance of Banks, Yola Adamawa State. However, the study therefore, concluded that there is significant relationship between inadequate human resource management and performance in Banks. Thus, human resource management in Banks focuses on corporate goal, utilizes human resources, develops human resources, reduces uncertainty and labour cost, regularizes production, maintains good industrial relation, keeps records, and controls human resources.

6. RECOMMENDATIONS

As a result of the various finding emanating from the study, the following recommendations which the research work is embedded, hereby suggested as follows:

i. The Management of Banks need to see human resources as a vital aspect in the organizations performance and should provide adequate human resources by recruiting qualified employees into the organization.

ii. Human resources Department in Banks should adjust their responsibility by engaging more qualified staff so as to help utilize other resources well for effective human resources as a means of organizational performance.

iii. The management of Banks should improve on the major role of human resources by providing comprehensive approach to managing people and inculcation of the work place culture in every aspect of work.

iv. Management of Banks should encourage adequate utilization of human resources that will enhance the overall direction and the accomplishment of goals and objectives for development.

v. The employees who strive hard to make the organization achieve its pre-selected goals and objectives should be rewarded effectively. Adequate motivation and remuneration boost the employee moral to work harder towards achieving or accomplishing challenging task, this will enhance effective performance of organization.

REFERENCES


