



Impact of Small Scale Business on Economic Development of Nigeria: A Study of Ijebu-Imushin in Ijebu East Local Government Area, Ogun State

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ABSTRACT

It has been observed that many developing countries, including Nigeria, have recently realized the important roles of small and Medium Enterprises (SMEs) in national development; and in view of this, government has expressed interest in SME development. This expressed interest has not been matched with concrete actions in some of these countries. Descriptive survey research design was used in the study. The population of the study was made up of individuals who are involved in entrepreneurial activities in Ijebu Imushin Town, Ijebu East LGA of Ogun State. A sample size of 384 respondents was drawn for the study, out of which a total of 200 copies of the questionnaire representing 52.08 per cent of the sample were returned and used in the data analysis. Extant literature was also reviewed in the study to set out the role and significance of the SMEs in national development, while their chronic developmental problems were identified. Statistical Package for Social Sciences (SPSS) was used to run Pearson's correlation coefficient test on the hypotheses of the study. The study found that a positive

relationship exist between SMEs operations and economic development. The study concluded that small scale businesses are very important to economic development because they facilitated the mobilization and utilisation of local resources in the production process and encourage partnership that promote economic development. Therefore, it was recommended that government should encourage entrepreneurship in small scale business by creating an enabling business environment for business operations. Also, unemployed persons and youths should be availed with relevant training to acquire the necessary skills and provided with micro-credit facilities to make them self-employed

Keywords: *Economic development, entrepreneur, entrepreneurship, SMEs*

1. Introduction

The role of small business enterprise as a catalyst for economic growth and development has been well documented in the economic literature and recognized in most countries. For example, in many of the newly industrialized nations (Islam, Ghani, Mahyudin, & Manickam, 2017), more than 70 percent of all industrial and economic enterprises are Small and Medium-scale Enterprises (SMEs) and account for majority of the labor force.

As one of the developing countries in the globe, a great percentage of entrepreneurs in Nigeria lack the capacity to embark on large scale business. Following the adoption of the Structural Adjustment Programme (SAP), as an economic reform program in 1986, there has been a decisive change of emphasis from the capital intensive large scale industrial projects to increased attention on revamping the Nigeria economy by encouraging the establishment of small scale business. According to Lawal, Kio, Sulaimon, and Adebayo (2006), at least two of the following four characteristics must be present in a business for it to be seen as a small scale business: usually the managers are also the owners, ownership is held by an individual or small group who also provide the business capital, it operates mainly locally as its area of business coverage, the size of the business is small in comparison to big businesses in its sector.

Entrepreneurship in small-scale business as a major engine of growth and development, despite the promise of ensuring sustainable development, so much vagueness in the nature of entrepreneurship's continue to affects its role (Hall, Daneke, & Lenox, 2010). In Nigeria, the sub-sector is encumbered with numerous problems one of which is inadequate funding. Hence, Lawal (1993) acknowledged the funding challenge encountered by small businesses when he stated that whatever the objective or stage of a business, every business upholds the philosophy of growth, survival and adaptation to the funding problems. The peculiar situation of small scale industries inherently suggests a weak structure and constraints in respect of access to capital markets. Moreso, small-scale industries suffer discrimination in the distribution of credits in

the conventional loan markets.

The general objective is to examine the impact of small-scale business on the economic development in Ijebu-Imushin, Ogun State. The specific objectives are to appraise the impact of small scale business on the economic development in the study area, and to appraise the impact of government intervention on the small scale business in the study area. While the following research questions guided the study, do small-scale businesses contribute to the development of small-scale business in the study area economy? and to what extent does government promote small scale businesses? Based on the research questions, the following hypotheses are suggested:

H₀₁: There is no significant relationship between Small-scale business and contribution to economic development.

H₀₂: There is no significant relationship between Government intervention into small scale business and economic development in Ijebu-Imushin Ogun State.

A number of studies have been conducted on SMEs and the benefits to individuals, communities, and the society, but to the best of the researcher's knowledge, none of these studies have emphasized the importance of understanding the link between SMEs and economic development. This present study attempts to address this gap. Following this introduction, the rest of the paper is structured as follows, in section two related literature is reviewed, in section three the methodology is presented in section for the results and discussion is presented, while section five presents the conclusion and recommendations.

2. Review of literature

2.1 Historical background of small business enterprises

In Nigeria, the history of small business enterprise has been linked to entrepreneurship development. Small Business Entrepreneurship was developed mostly in agricultural production of foods. The system was initially designed for the immediate consumption of products of the agriculture by farmers. However, goods that were harvested made the then farmers realized the need for selling the excesses. Hence, farmers started selling them at the road sides to earn money. This practice gave rise to wealthy farmers going into farmers to buy and sell farm produce.

Another stage of small business development in Nigeria was in retailing and wholesaling. This stage was prompted by the advent of missionaries who brought Christianity and education to Nigeria. At this stage, wealthy farmers started exchanging their products for items such as textiles, household wares, sample machines etc. Today, the situation has change as the force of globalization has increased the scope of SMEs as there has been a tremendous expansion of the areas of SME engagement with remarkable inroads into the manufacturing and services industry (Bakar, Islam, & Lee, 2015; Lawalet *al.*,

2006; Zaki& Rashid, 2016).

2.2 Concepts relevant to the study of small business

Small business has been defined in different ways by different organizations, authors and agencies (Bouazza, Ardjouman, &Abada, 2015). In Japan, a small-scale industry is defined according to the type of industry. For small medium industry in manufacturing, it is defined as those with “100 million Japanese Yen (JP¥) as paid up capital and 300 employees, while small scale business in wholesale trade will have JP¥ 30 million paid up capital and 100 employees (Lawal, *et al.*, 2006).In Nigeria, the definition of small-scale business also varies from time to time and from one institution to another. For example, the Central Bank of Nigeria 1996 Monetary Policy Guidelines, defined small scale enterprise, as enterprises on whose total cost, excluding cost of land but including working capital, does not exceed 10 million naira(Lawal, *et al.*, 2006).Third National development Plan (1975-1980) as cited in Muritala, Awolaja and Bako (2012, p.19) defined small business as “a manufacturing or service organization whose employee is not more than 10”. Small and Medium Enterprises Development Agency of Nigeria, SMEDAN (2005) defined SMEs by providing a definitional distinction between small scale businesses and medium scale businesses: small scale businesses are those with ten to forty-nine people with an annual turnover of five to forty-nine million naira while medium scale businesses are those that have fifty to one hundred and ninety-nine employees withan annual turnover of fifty to four hundred and ninety-nine million naira.ObafemiAwolowo University, Ile-Ife, the Centre for Industrial Research and Development, CIRDA (1987) as cited in Muritala*et al.*, (2012) defined small scale enterprise with the total investment capital not exceeding N50,000 and employing not more than 50 full time workers.

According to the International Labour Organisation, ILO (2005) as cited in Obasan, Shobayo, and Amaghionyeodiwe (2016), more than 50 definitions of SMEs have been identified in the literature which has emanated from 75 countries based on their peculiarity in terms of their stage of industrialization. This implies that SME as a concept is contextually defined based on the prevailing socio economic conditions in a given country. In summary, a small business may be defined qualitatively and quantitatively as the one that has the following characteristics: Independently owned, independently managed, highly personalized, largely local in its operation, financed mainly from internal sources.

2.3 Entrepreneur and entrepreneurship

The concepts entrepreneur and entrepreneurship have both been defined variously in the literature by a number of scholars, academics, and practitioner from various fields of human endeavor since the concepts cut across all disciplines. Both concepts have come to global prominence having a plurality

of definitions among scholars who have proposed several (Zaki & Rashid, 2016). In 1985, Peter Drucker, a foremost scholar, defined an entrepreneur as the only one who always searches for change, responds to it and exploits it as an opportunity. Glueck (1980) as cited in Lawal, *et al.* (2006) defined an entrepreneur as “an individual who creates a new firm and continues to manage it until it is successful. Idam (2014, p.3) defined entrepreneurship as the “act of identifying and exploiting opportunities, through innovative process, under condition of uncertainty, to either create new business, or reorganize existing one capable of generating employment for others and value for stakeholders.” In his theory of creative destruction, Joseph Schumpeter (1911) proposed that the only function, which makes up entrepreneurship, is originality, the ability to bring new things to life, otherwise known as innovation (Hussain, Afzal, Asif, Ahmad, & Bilal, 2011). Upholding the notion of entrepreneurship as innovation which was espoused by Schumpeter, Bakar, *et al.* (2015) stated that companies that are entrepreneurial inclined outlook are very strategic to the U.S economy because they contributed in two important ways to the national economy. First of all, they provide the innovation that lead to change in technology and also growth in productivity due to the level of competition they provide in the market.

The history of entrepreneurship in Nigeria is as old as the existence of the country itself. Being an agrarian country, businesses though on a very small scale, have been established mostly in the areas of agricultural production of basic food items. Though the initial concept of agricultural production then was for immediate consumption. However, good harvest soon made farmers realize the need to sell some. Hence, it was a common occurrence, to see some farm harvests being sold by the roadside to earn some money. This often gave rise to wealthy farmers going into farms to buy and sell farm produce. However, Parrish (2010) as cited in (Hall, *et al.*, 2010, p.444) explored what led people to entrepreneurship by clarifying the difference between opportunity-driven and sustainability-driven entrepreneurs “Opportunity-driven entrepreneurs’ primary motivation is to build a profitable venture. Sustainability is viewed as a market opportunity and serves as a means to achieving profit objectives. Sustainability-driven entrepreneurs’ primary motivation is to contribute to sustainability, whereas a viable, profitable enterprise is a means to that end.” As could be seen in Nigeria, most entrepreneurs venture into SMEs operation due to necessity.

2.4 Roles of small scale business in Nigeria and other countries

A country that is desirous of rapid industrialization and economic prosperity cannot afford to relegate the development of its SME sector to the background. This is upheld by increasingly interest and attention to SMEs as being important for bringing about economic transformation and achieving sustainability in the production of goods and rendering of services (Hall,

et al., 2010). Thus, at this juncture, it would prove to be very costly for any nation to relegate its SME sector. It is necessary to highlight the economic significance of SMEs to the economy of Nigeria and other nations (both developed and developing). In the Nigerian context, a dynamic SME sub-sector can contribute to industrial growth and development in the following ways: Transformation and widespread diffusion of indigenous technology and entrepreneurship; enabling adaptive technology and skill acquisition i.e encouraging phenomenal upgrading in skills, machinery, equipment and management practices; production of intermediate products for uses by large-scale industries, and final consumption of goods by the economy as a whole.

In Nigeria for example, SMEs are involved in such enterprises as textiles, food processing, woodworks, leather products, soap and detergent, all of which require simple technology and in which the raw materials are readily available in abundance for the promotion of even development and improvement in income distribution, industrial diversification and dispersal of businesses in both urban and rural areas.

Advantages of SMEs

Some of the advantages of SMEs as identified in the literature include the following (Lawalet *et al.*, 2006).

1. The very nature of small enterprise is dynamic. It helps in quick decision making and adaptability to changes.
2. Because of small size, effective integration of production and market can be easily achieved.
3. Communication vertical and lateral is fast and distinct.
4. Constant attention to quality is plausible to cater for the needs and requirements of customers.
5. Small enterprises engaged in joint ventures and strategic alliances both in national and industrial levels and may reach global market as their business expands.

Disadvantages of SMEs

1. Finance and credits: The capital base of small enterprise is very weak and profit earned is often not enough for replacement. To meet the financial needs, availability of institutional credit must be given prime priority/importance. It is also necessary to liberalize the rules & regulations of banking.
2. Marketing problems: all over the world, small enterprise faces marketing problems most of the small enterprises do suffer from competitive disadvantages vis-à-vis large industries because of shortage of capital and financial resources. These enterprises do not have adequate staying power and are often forced to sell their products at very low or ridiculous prices.
3. Inventory problems: Over-stocking or buying slow-moving goods can be

very costly for a small-scale business.

4. Lack of employees satisfaction: Even, where small-scale businesses are fortunate to employ qualified manpower, the general working conditions are very poor. The autocratic leadership style of some entrepreneurs contributes to the business failure.
5. Lack of access to technology: One of the main problems affecting the success of small scale industries is how to do things i.e. how to design, produce and distribute goods and services. Small-scale industries are characterized by obsolete services and technology due to poor financial status and inadequacy of the extension services.

2.5 Survival strategies for small scale business

Business success and failure are two sides of the same coin, for this reason, careful attention should be given to business activities as a business will succeed if it is properly managed and it operated in appropriate enabling environment. Successful management of small-scale business will require the following: Careful analysis of the markets; proper planning and effective launching of the business; proper financial and accounting practices prevent fraudulent activities; thoughtful selection of goods; choosing a strategic location; effective credit control system; the government may increase loan-able funds granted to small-scale industry; development of entrepreneurship culture by means of awareness; assisting the small-scale industrialists in creation of markets for their goods and services; and provision of physical infrastructures and expansions of the existing ones to provide more efficient services.

2.6 Government initiatives towards the growth of SMEs in Nigeria

Some programmes of successive Nigerian governments to support entrepreneurship and the growth of home grown SMEs are captured in table 2.6 below:

Table: 2.6

S/N	Programme and year of introduction	Area of Focus
1	Directorate of food, Road and Rural Infrastructure (DFRRI) (1986).	Feeder roads, rural water supply and rural
2	Better Life Programme (BLP) (1987)	Training, Financing and Guidance
3	Peoples' Bank of Nigeria (1989)	Encouraging saving and credit facilities
4	Family Support Programme (1994)	Health care delivery, child welfares, youth development etc.
5	Family Economic Advancement Programme (FEAP) 1997	Credit facilities to support the establishment of cottage industries
6	Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) 2003	Self-employment creation with supports

7	National Economic Empowerment and Development Strategy (NEEDS)	Human and Economic empowerment programme
8	Youth Enterprise with Innovation in Nigeria (YOUWIN) 2013	One time equity grant between 1 million and 10 million naira
9	Anchor Borrowers' Programme (ABP) 2015	Provision of loans to farmers at a cheaper rate

Source: Authors Compilation

2.7 Impact of small scale business on economic development

SMEs dominate the private sector landscape in market driven economies. Small scale business typically account for 45% or more of all private companies, and they are a major source of economic growth, Job creation, innovation, exports, and provision of basic goods and services including inputs used by large-scale companies. However, despite their large numbers, small-scale business in most developing countries, including Nigeria perform dismally with little or no impact of the national economy. For instance, small business contribute over 50% of GDP in USA compared to about 20% in Brazil and even less in some developing countries.

Lawalet *al.* (2006) maintained that small business in Nigeria also contributed in the following areas; rural transformation, promotion of indigenous technology, utilization of local resources, dispersion of economic activities, mobilization of savings, revenue generation, and contribution to Gross Domestic Product (GDP). SMEs it also contribute to economic development in the following area: economic efficiency(By permitting the tapping of idle resources such as labour, capital and raw materials); capital formation(Human and materials, by making a significant contribution towards the creation of wealth and manpower development in the economy);development of entrepreneurs and managers(It serves as an incubator for entrepreneur and future managers of industry);capital saving (They contribute towards generation of investible funds in the form of savings); employment opportunities (It provides employment for no small percentage of the working population in any economic);geographical spread of development (Due to their nature, many small scale business are spread across the country).

In Nigeria, small business investment opportunities are available for exploitation in the following areas: Agricultural and agro-allied industry; leather industry; paper production; textile and associated industry; metal and engineering;wood and wood work among others (Lawal, *et al.*, 2006), including the telecommunication sector which has opened up a lot of commercial opportunities in the recent times.

Conclusively, we have seen from extant literature that the SME sector as an engine of economic progress and prosperity has great prospect for economic development of any nation.

3. Methodology

Descriptive survey research design was used in the study. The population of the study was made up of individuals who are involved in entrepreneurial activities in IjebuImushin Town, Ijebu East LGA of Ogun state. A sample size of 384 respondents was determined through the formula for computing the sample size of an unknown population, $Z^2(P)(1-P)/C^2$. While random sampling technique was used to select the participants in the study and the research instrument, a closed ended 5-point Likert style questionnaire was administered personally in Ijebu-Imushin in Ijebu East LGA, Ogun State. A total of 200 copies of the questionnaire representing 52.08 per cent of the sample of the study were returned and suitable for the data analysis. Statistical Package for Social Sciences (SPSS) was used to run Pearson’s correlation coefficient test on the hypotheses that were raised in the study.

4. Results and discussion

H₀₁: There is no significant relationship between Small-scale business and contribution to economic development.

		Small Scale Business	Economic Development
Small Scale Business	Pearson Correlation	1.000	.390*
	Sig. (2-tailed)		.000
	N	200	200
Economic Development	Pearson Correlation	.390*	1.000
	Sig. (2-tailed)	.000	
	N	200	200

Correlation is significant at the 0.05 level (2-tailed).

H₀₂ : There is no significant relationship between Government intervention into small scale business and economic development in Ijebu-Imushin,Ogun State.

		Government intervention in Small Scale Business	Economic Development
Government Intervention in Small Scale Businesses	Pearson Correlation	1.000	.162*
	Sig. (2-tailed)		.011
	N	200	200
Economic Development	Pearson Correlation	.162*	1.000
	Sig. (2-tailed)	.011	
	N	200	200

Correlation is significant at the 0.05 level (2-tailed).

For hypothesis one, the Pearson correlation coefficient is 0.390, this indicated that the correlation between small scale business and economic development is statistically significant since the level of significance is lower than 0.05 thus, we reject the null hypothesis. This means that the higher the level of small scale business activities the higher the impact on the economy. For the test of hypothesis two, Pearson correlation coefficient of 0.162 between government intervention and economic development in IjebuImushin is statistically significant at 0.11. Thus, we reject the null hypothesis. Therefore, from our results we conclude that both variables have positive relationship with each other. The findings obtained from the Pearson correlation test conducted on the suggested hypotheses of the study affirms that a relationship exist between small scale business activities and economic development in IjebuImushin, Ijebu East LGA of Ogun state.

5. Conclusion and recommendations

From the findings of this study which revealed a positive relationship between small scale business activities and entrepreneurship, we conclude that small scale businesses are very important to economic development because they facilitated the mobilization and utilisation of local resources in the production process and encourage partnerships that promote economic development., but in Nigeria, small scale businesses conduct their activities under a number of constraints such as lack of finance, lack of technical know-how, lack of managerial ability, and inadequate linkage with the organized business sector

which continue to weaken their operations and ability to contribute massively to the growth of the Nigerian economy. Therefore it is recommended the government should encourage entrepreneurship in small scale business by creating an enabling business environment for business operations. Also, unemployed persons and youths should be availed with relevant training to acquire the necessary skills and provided with micro-credit facilities to make them self-employed. The following strategies are recommended:

- Procurement, supply and distribution of materials
- Creation of favorable market conditions.
- Set up some relevant institutions and organizations to foster SMEs development.
- Government should formulate such financial policies that would encourage the banks as well as insurance companies to form ventures that are dedicated to SMEs growth through financial guidance and effective funding and fund management.

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Effect of Human Resource Development Activities on the Performance of an Organization in Nigeria: A Study of First Bank Plc, Lagos State

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ABSTRACT

Despite the evidences that human resource development has received a great deal of attention, not only from the researchers but also from the business world as a result of its usefulness, nevertheless, the results found in the literature are contradictory. This study therefore, examined the effect of human resource development on the performance of an organization with specific focus on banking sector in Lagos State, Nigeria. Structured questionnaire was used to collect data from 250 respondents out of more than 12, 300 permanent staff of First Bank Plc through random sampling method. Multiple regression analysis was used to analyze the data collected in order to examine the effect of independent variable, human resource development activities (on-the-job training, formal education, participation in seminars, conferences and workshops, participation in trade fairs and exhibitions) on dependent variable, organizational performance (profitability). The result of the study showed that human resource development activities have positive effect on organizational performance. Based on this, it is concluded that the predictor variables namely (on-the-job training, formal education, participation in seminars, conferences and workshops, participation in trade

fairs and exhibitions) are jointly 53.3 percent variance of organizational performance. In line with this conclusion, the study therefore, recommends that management should encourage its employees to improve on their career through training, seminars, workshops, conferences, trade fairs and exhibitions in Nigeria and beyond. The organizational management should also ensure that human resource development is given high priority with better investment in order to ensure good profitability from the organizational operations.

Key Words: Human Resources, performance, training, development

Introduction

In view of organizational growth in the knowledge based economy, human resource development practices become very germane. In organizations today, either small, medium or big, human resource development remains a salient aspect of research interest considering the fact that the development of human resources leads to better opportunities to achieve efficiency in organizational operations. Well developed human resources serve as an important vehicle in achieving the objectives of the organizations and a better hedge to understand this turbulent economy in the world, market, competitors, macro policies as well as other related areas.

Gyang (2011) opines that the global attention has nowadays, been focused on the importance of human resource development as a way out of the problems related with economic growth of nations. In fact, the researcher claims that the growth of tangible capital stock of a country depends to a reasonable level, on human resource development. The researcher further affirms that without better investment in the development of human resources regarding the increase in knowledge, skills and the capabilities of people in a nation, the chance of economic growth of that nation might be slow and infinitesimal. Today, it can be deduced from the foregoing that human resource development has therefore been recognized as one of the crucial factors determining economic growth.

The study by Muktar (2005) reveals that human resource is the most important component of an organization as the study further shows that men and women who are working in an organization are the human resources. Their uniqueness stems from the fact that these men and women constitute the active agents that combine other productive resources of the organization in order to achieve its goals. For organization to achieve its set goals, it must, as a matter of fact, have competent employees who can carry out the assigned tasks. Consequently, organization must engage in continuous human resource development as its activity which is concerned with improving the performance of employees in the organization.

Statement of Problem

Despite the evidence that human resource development has received a great deal of attention, not only from the researchers but also from the business world as a result of its usefulness, nevertheless, the results found in the literature are contradictory. However, general consensus establishes that there exists a relationship between investment in human resource development and organizational performance. Furthermore, some studies have provided evidences of positive and sizeable returns on human resource development investment while others have documented negative evidences. In this regard, studies such as Yusuf (2010) and Gberevbie (2012) focused on human resource development as a correlate of performance in an organization and particularly the study by Yusuf (2010) asserted that investment on human resource development has a significant positive impact on the book value per share while the study by Nzuve & Bundi (2012) found a very low positive correlation of 0.102 between turnover growth and investment on human resource development. Hence, this inconsistency in the existing empirical evidences makes this study useful from the perspective of Nigerian banking sector.

Research Objectives

The main objective of this study is to examine the effect of human resource development on the performance of an organization in the banking sector of Nigerian economy while the specific objectives are to:

- i) evaluate the effect of on-the-job training on the performance of the First Bank Plc.
- ii) examine the influence of formal education on the performance of the First Bank Plc.
- iii) know the effect of participation in seminars, conferences and workshops on the performance of the First Bank Plc.
- iv) examine the influence of participation in trade fairs and exhibitions on the performance of the First Bank Plc.

Research Questions

The following are the research questions for the study:

- i) does on-the-job training have effect on the performance of the First Bank Plc?
- ii) is there any influence of formal education on the performance of the First Bank Plc?
- iii) does participation in seminars, conferences and workshop have effect on performance of the First Bank Plc?
- iv) does participation in trade fairs and exhibitions have influence on the performance of the First Bank Plc?

Research Hypothesis

H₀₁: There is no significant effect of human resource development on the performance of an organization.

Literature Review

Ebiringa & Okorafor (2010) opine that training is very germane to human resource development as the scholars described training as the vehicle that took organizations to their destination within a stipulated record time. As a matter of fact, the usefulness of human resource development to the growth of present day organizations cannot be overemphasized because for any organization to survive this competitive business world, it has to train its employees in line with its within and without operational environments. Training as Thaker (2008) asserts, is an organized procedure by which people learn knowledge and skills for a definite purpose while Zigon (2002) sees training as the process whereby an individual behavior is modified to conform to a pre-defined and specific pattern. Training is further asserted by Industrial Trust Fund (2006) as a process through which skills, talents and knowledge of employees are enhanced. In the same vein, Tim & Brinkerhoff (2008) reason that human resource development represents the planned opportunity provided by training, education directed and planned experiences as well as guided growth.

The studies by Ogunleye (2004), Thaker (2008) and Ebiringa & Okorafor (2010) revealed that management development was a form of leadership training. It is further showed as the training in management technique and the development of managerial capabilities of a group of middle and top level employees which in often times adopt the lecture method. The studies also reason that development is an important aspect of the training programme which must be well practiced if the general efficiency of the organizations is to be improved by a more competent management. Human capital as Clarke & Metalina (2000), Katou (2009), Hove & Tarisai (2013) and Gadi, Tende & Barde (2014) asserted, is the process that relates to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values and social assets of an employer which will lead to the employee's satisfaction and performance and ultimately, on the organizational performance. Furthermore, the studies revealed that human capital is an important input for organizations especially for employees' continuous improvement mainly on knowledge, skills, competences and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being.

Performance as asserted by Fatoki (2011), can be described as the actual output or results of an organization as measured against its set goals. Furthermore, Nafie (2014) and Umrani (2016) opine that organizational

performance is an indicator of the level of achievement that can be achieved and reflects the success of the manager. Performance, as the researchers further asserted, is the outcome of the behavior of members of the organization. Performance of the organization, from the views of these scholars is the desired outcome of the organizational behavior of the people in it.

Nafie (2014) further claimed that the assessment of organizational performance can be evaluated from the company's financial ratios. Profitability is a measure of the success of the company's operations. The company is said to have a competitive advantage if it has a high rate of profit of the average normal rate of profit. This profit level is expressed in several ratios such as return on assets ratio, return on equity ratio, and the ratio of return on sales. For long term periods, the measurement model that focuses on financial measures are acceptable. However, the researcher also revealed that there are many aspects of business that cannot be evaluated with financial performance. Non-financial performance measurement is important for companies to know how far the human aspect, the aspect of customers, and other organizational aspects of the work. Financial performance measurement in this study focused on profit after tax as the performance index.

Empirical Studies on the Effect of Human Resources Development Activities on the Performance of an Organization (A Study of First Bank Plc)

In a study conducted by Mufeed & Rafia (2015) on the impact of Human Resource Management (HRM) practices on organizational performance in Jammu and Kashmir on State Bank of India, out of 80 copies of questionnaire distributed, 72 were returned from corporate head office and branches in Jammu as well as Kashmir. The data collected were analyzed with the aid of Spearman's Correlation Coefficient Analysis method. The result of the study revealed that HRM practices including general climate, selection, OCTAPACE culture, job definition, career planning, employee participation, performance appraisal system, training and compensation have significant association with organizational performance. Again, Opoku & Arthus (2015) examine the impact of human resource management practices on the performance of the Ghana Postal Services Company. Primary data were collected from management and company's clients. Descriptive statistics were used to analyze the data. The result revealed that human resource management practices have a significant effect on organizational performance.

Another study by Sowunmi, Eleyowo, Salako & Oketokun (2015) on human resource development as a correlate of performance of the banking industry in Ogun State, Nigeria used both secondary and primary data. Out of 120 copies of structured questionnaire distributed, 108 were returned and the data collected were analyzed using descriptive, simple regression and chi-square analysis to achieve the objectives of the study. The result of the study showed

that expenditure on human resources development has a positive relationship on the performance of commercial banks in the study area. A study by Abduli (2013) on the effective human resource management in small and medium enterprises in the Republic of Macedonia indicated that the result of the study revealed that there was a positive correlation between human resource management and effectiveness in the enterprise.

Considering a study carried out by Abdukadir (2012) which investigated the impact of strategic HRM practices on organizational performance of insurance companies in Nigeria in addition to examining whether the effectiveness of strategic HRM practices on organizational performance was contingent on organizations' work place climate. A multi-respondent survey of 18 insurance companies was used and the collected data were analyzed using regression and correlation analyses as well as descriptive statistics. The result showed that strategic HRM alignment, line management training, career planning system and job definition were key strategic human resource practices that influenced organizational performance in the Nigerian insurance industry. In another study by Ebiringa & Okorafor (2010) on the effects of human capital development on the performance of small and medium scale enterprises in the South Eastern Region of Nigeria, a total of 49 respondents were drawn and structured questionnaire used to collect data which were analyzed using the multiple regression analysis. The study found that human capital development lead to significant improvements in the performance of enterprises.

Model Specification

Mathematically, the model for this study is expressed as follows:

$$\text{Model: } P_i = F_i(X_{1i}, X_{2i}, X_{3i}, X_{4i})$$

$$P_i = \beta_{0i} + \beta_{1i}X_{1i} + \beta_{2i}X_{2i} + \beta_{3i}X_{3i} + \beta_{4i}X_{4i} + \mu_i$$

Where:

P_i = Performance, X_{1i} = On-the-job training, X_{2i} = formal education, X_{3i} = participation in

seminars, conferences and workshops, X_{4i} = participation in trade fairs and exhibitions,

$\beta_{ii} - \beta_{4i}$ = Regression coefficients, μ_i = Error term

Methodology

The study adopted a survey research design. All employees in First Bank Plc make up the population of this study, which is over 12, 300 workers/employees. The study also considered only the participants that are permanent staff with this bank and this formed the sample frame of the study. The study was conducted across departments in Head Office, Lagos State, Nigeria. The choice of study areas was purposive and convenient. Self administered structured questionnaire served as operational instrument to collect random

sampling primary data from 250 respondents. Therefore, the sample size for this study is 250. Also, the study used secondary source like records provided by the First Bank Plc on its staff. Multiple regression was used with the aid of Statistical Package for Social Sciences (SPSS) version 23, for data analysis.

The instruments used in this study were submitted to a panel of experts from the University of Ilorin, Ilorin, Kwara State for validation. The panel carried out a content analysis of each of the questionnaire and eliminated items found to be irrelevant to the research problem. After necessary modifications, the panel of experts recommended the use of the instruments for the study. The scales were further subjected to further item analysis so as to determine their psychometric soundness. The questionnaire was measured and the responses were rated on the Likert-scale format with answers ranging from 1-5 (1= strongly disagree to 5= strongly agree) with each dimension having 4 questions. The study reported Cronbach reliability alpha of level of on-the-job training (.76), level of formal education (.73), level of participation in seminars or conferences and workshop (.74) level of participation in trade fairs and exhibitions (.71).

Result and Discussion

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.726 ^a	.533	.530	3.247

a. Predictors : level of on-the-job training, level of formal education, level of participation in seminars, conferences and workshops, level of participation in trade fairs and exhibitions.

Table 1 reveals the summary statistics of the analysis of the human resource development variables on organizational performance. The coefficient of correlation ($R=0.726$), coefficient of determination ($R^2=0.533$), and the standard error estimate of 3.247. This indicates that 53.3% of the sampled organizational performance can be associated with the level of on-the-job training, level of formal education, level of participation in seminars, conferences and workshops. The indication can also be associated with the level of participation in trade fairs and exhibitions as strategies of human resources development for organizational employees. This finding conforms to the findings of the study carried out by Opoku & Arthus (2015).

Table 2: ANOVA^a

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	2785.243	4	2785.243		.000 ^a
Residual	1694.321	248	7.531	210.625	
Total	4479.564	249			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Level of on-the-job training, level of formal education, level of participation in seminars, conferences and workshops, level of participation in trade fairs and exhibitions.

From table 2, it is shown that jointly all the independent variables contributed significantly on the regression plane.

Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std Error	Beta		
(Constant)	43.185	2.132		21.331	.000
Level of on-the-job training.	1.732	.583	.872	17.201	.000
Level of formal education.	1.589	.493	.682	15.354	.000
1 Level of participation in seminars, conferences and workshops.	.835	.378	.531	11.420	.000
Level of participation in trade fairs and exhibitions.	.794	.321	.473	11.109	.000

a. Dependent Variable: Organizational Performance

Table 3 shows that organizational performance is equal to 1.732 level of on-the-job training + 1.589 level of formal education + 0.835 level of participation in seminars, conferences and workshops + 0.794 level of participation in trade fairs and exhibitions. This shows that level of on-the-job training, level of formal education, level of participation in seminars, conferences and workshops, level of participation in trade fairs and exhibitions individually and independently contributed significantly to the performance of organizations in the banking sector. The result of this study is in line with Ebieringa & Okorafor (2010) that human capital development leads to significant improvements in the performance of enterprises.

Conclusion

The conclusion made from the findings of this study is that human resource development activities such as on-the-job training, formal education, participation in seminars, conferences and workshops, participation in trade fairs and exhibitions that can enhance the skills, knowledge and competences of

organizational employees have significant positive effect on the organization's performance. As a matter of fact, this study concluded the organization's employees that key into these human resource development activities through the improvement of their current knowledge, skills and their competences will positively enhance their performance and consequently, enhance the organizational capacity for growth and its performance.

Recommendations

In line with these conclusions, management should encourage its employees to improve on their career through training, seminars, workshops, conferences, trade fairs and exhibitions in Nigeria and beyond. The organizational management should also ensure that human resources development is given high priority with better investment in order to ensure good profitability from the organizational operations.

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