

## **Organizational Factors Influencing Human Resource Development in Commercial Banks in Nakuru Town Central Business District, Nakuru County**

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**Abstract:** *The purpose of this study was to establish the organizational factors influencing human resource development in commercial banks in Nakuru town central business district. The objectives of the study were to assess the influence of organizational policies on human resource development and to establish the influence of career progression on human resource development in commercial banks in Nakuru town central business district, Nakuru County. The study was guided by the Herzberg two factor theories, the Maslow's hierarchy of needs' theory and systems theory of human resource development. The study was based on a descriptive survey design. The target population consisted of all employees from 38 branches of commercial banks in Nakuru Town central business district. A sample of 147 respondents was selected through simple random sampling and census sampling techniques. Data was collected using self-administered questionnaires. Descriptive and inferential statistics were used to analyze data with the aid of SPSS latest version. The study concluded that both organizational policies and career progression determined human resource development in commercial banks in Nakuru Town central business district. Based on the conclusions the study recommended a need to widen the scope of human resource development to include staff development programs and policies commercial banks in Nakuru Town central business district.*

**Keywords:** *Organizational policies, Opportunities for career progression, Human Resource Development*

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### **I. Introduction**

Human resource development is the framework for helping employees to develop their personal and organizational skills, knowledge and abilities (Robbins, 2011). Every organization needs to have adequately trained and experienced personnel with knowledge and skills to perform their roles in the organization. Due to rapid changes taking place in the 21<sup>st</sup> century, organizations have to readapt the skills of employees to be able to undertake the increasingly sophisticated and complex tasks (Robbins, 2011).

According to Kamunge (2007) human resource development is indispensable in an increasingly knowledge based and globalized economies of the World. According to Cascio (2013) development of staff is among the key organizational obligations necessary for the attainment of corporate success. By enhancing employees' competence, better quality services and organizational growth can be guaranteed. Such initiatives could be in the form of training programmes and other related programmes. Yussof and Kasim (2003) reveal that the role of human resource development is crucial in promoting and sustaining organizational growth. For instance, prompting career progression and training for employees contributes significantly to economic development in terms of increased worker productivity. The organization also becomes more productive, innovative and competitive through the existence of more skilled human capability. Ulrich (2011) points out that other than the usual growth in organization performance, a well trained staff could also enhance organization's efficient asset management.

However, the development of the staff largely depends on the leadership, mandate and vision and mission of the organization (Rugut & Ali, 2009). In African countries, the key concerns of human resource development has been the allocation of sufficient budget to human resource development department, aligning human resource development to strategic priorities and promoting a learning culture (Wachira, 2012). Habib (2012) observes that implementation of human resource development strategy, promoting a positive work environment, accepting modern technological changes and promoting positive work force have influenced the adoption of human resource development. Combining these factors within the African context, challenges such as inability to make use of the available human resources has been critical.

In Kenya, human resource development policy was brought by the personnel challenges in the Public Service since independence. However, funding for capacity building programmes has been constrained by inadequate budgeting allocations even though the policy articulates measures to mobilize resources for the implementation of capacity building programmes to be delivered in accordance with the recommendation made in the policy document. In organizations in Nakuru Town, human resource development derives its success from organizational support (Wanyoike, 2014).

Recent studies suggest that a better functioning human resource development can stimulate higher employee performance. However, its effectiveness depends on the way employees perceive it. Obviously, there are other factors determining human resource development including the level of employees' job skills and knowledge and health. Also involved are factors that promote organizational predictability such as equipment and facilities, job design and organization structures. Consequently, employee's perception of human resource development has gained wide acceptance in understanding employee performance in commercial banks. According to Kitaka (2011) concerns have been raised whether commercial banks have embraced human resource development. Recent studies suggest that a better functioning human resource development can stimulate higher performance. However, commercial banks are still experiencing employees' management challenges such as regular staff turnover, unsatisfactory working condition, fear of insolvency and lack of organizational involvement in decision making (Ngunjiri, 2014). This is also reflected in high rate of staff turnover and inadequate supervisory capabilities (Rugut, 2013; Oloo, 2012). These challenges are further complicated by the need to deploy and use new technological platforms to improve efficiency and professionalism in service delivery. Previous studies have provided insight into human resource development with the aim of establishing its capacity to enhance employees' competence in commercial banks (Oloo, 2012; Wachira, 2012). However, studies are lacking to determine the organizational factors influencing human resource development. Hence, the purpose of this study was to determine the organizational factors that influenced human resource development in commercial banks in Nakuru Town central business district.

### **1.2 Objective of the Study**

- i. To examine the influence of organizational policies on human resource development in commercial banks in Nakuru Town central business district
- ii. To establish the extent to which career progression influences human resource management in commercial banks in Nakuru Town central business district.

### **1.3 Research Hypotheses**

**H<sub>01</sub>:** There is no statistically significant influence of organizational policies on human resource development in commercial banks in Nakuru Town central business district.

**H<sub>03</sub>:** There is no statistically significant influence of career progression on human resource development in commercial banks in Nakuru Town central business district.

## **II. Literature Review**

### **2.1 Theoretical Review**

The study was guided by the Herzberg two factor theories. This theory was designed to better explain the factors that influence employee's job attitudes and motivation. Herzberg performed studies including interviews to determine which factors in employee's environment caused satisfaction or dissatisfaction. He found that factors causing job satisfaction (motivator factors) were different from those causing dissatisfaction (hygiene factors). Herzberg theory (Loiseau, 2011) argues that there are two distinct human needs influencing employee's motivation and attitude: Physiological needs that can be fulfilled by money for example to purchase food and shelter; and psychological need to achieve and grow, only fulfilled by activities that cause one to grow. Factors determining dissatisfaction include company policy, relationship with boss, work condition, salary, and relationship with peers, all of which are external factors while those leading to satisfaction include achievement, recognition, work itself, responsibility, advancement and growth, which are intrinsic factors. Critics of Herzberg theory argue that the two factors are observed because it is natural for people to take credit for satisfaction and to blame dissatisfaction on external factors, and that job satisfaction does not necessarily imply a high level of motivation or productivity (Asgarkhani, 2003). The Hertzberg two factors theory was used in this study to explain how motivational factors influenced human resource development in commercial banks in Nakuru Town.

### **2.2 Organizational Policies on Human Resource Development**

The human resource development policies consist of formulation, adoption and implementation of appropriate policies and monitoring and controlling the impact of the policies in the organization (Dussault, 2009). Policymakers need to define explicit policy objectives based on organizational strategic plan that outlines

the short-term and long term strategies to be employed. In any organization, the human resource development programs need to be in line with the explicit objectives and goals of the organization and it is crucial to be supported by the public. This put policy-makers in a stronger position to negotiate with the stakeholders to shape HR policies that are aligned to the organizational culture. At the macro level, human resource development requires different strategies to achieve its objectives (Oloo, 2012). If it is need-oriented, stakeholders must be involved at all stages of the policy-making process (Swanson & Holton, 2014). Therefore, planning, coordination of policy-making and evaluation are strategically important to well-functioning human resource development.

The development of the human resource policy for Public Service of Kenya was necessitated by the challenges that were faced in training and capacity building processes in the Kenya Public Service since independence. However, funding of training and capacity building programmes in the Public Service had been constrained in the past due to inadequate budgeting allocations. The policy therefore laid down measures to mobilize resources for the implementation of training and capacity building programmes to be delivered in accordance with the recommendation made in the policy document.

According to Ahmeti (2015) the more developed and trained the employees are, the higher the level of motivation will rise, and more knowledge will be applied in their day-to-day work. Therefore, in order to become more competitive and to enter the line with new needs emerged by new markets and globalized economy, human resource development is absolutely mandatory. This is because human resource capacity challenges in organizations are related to organizational policies. Confronting these challenges has far reaching implications for policy and human resource management development practice (Ahmeti, 2015).

Birasnav and Rangnekar (2014) studied the impact of human resource development on management practices in Pakistan with the aim of expanding understanding and testing the relationship between the components of human resource development. Using regression and correlation analysis, the study established that consistency and adaptability were some of the attributes which significantly influenced the adoption human resource development. Lorraine (2011) investigated the influence of human resource development on organizational performance of financial institutions. The study focused on five variables namely adaptive perspective, communal, network, mercenary and fragmented culture. The study established a link between human resource development and communal performance. However, the study reported that different factors were considered in formulating human resource development policies in financial institutions.

In Zambia, Akerele (2011) sought to establish how culture influenced human resource development practices in textile companies. The study also attempted to determine the ways in which culture interacted with other factors within the companies to influence policies on human resource development. Using both qualitative and quantitative methodologies, the study found out that there was a strong association between policies on human resource development and level of commitment, staff attrition, and positive attitude towards work. In a study by Wanyoike (2014) about the determinants of employee performance in commercial banks in Kenya, psychological empowerment and organizational learning were found to have significant influence on human resource development policies. The study recommended that bank's managers needed to understand the motivations of their employees, their commitment's level to the organization and ways of improving job performance.

### **2.3 Career Progression and Human Resource Development**

Human resource development may be influenced by availability of training opportunities for career progression in an organization (Albrecht & Andretta, 2011). Employees in companies with poor training programmes may be against departures at companies with excellent training (Origon & Nzozzo, 2011). Different types of training can play an important role in creating and reinforcing high involvement work processes (Vandenberg, Richardson & Eastman, 2009). It is imperative for the organization to provide development opportunities for individual employees in order to enhance their skills and improve their chances of getting higher posts (Origon & Nzozzo, 2011). According to Werner (2014) training and development focus on changing or improving the knowledge, skill and attitudes of individuals. Training typically involves providing employees the knowledge and skills needed to do a particular task or job, though attitude change may also be attempted. Developmental activities in contrast, have a longer term focus on preparing for future work responsibilities while also increasing the capacities of employees to perform their current jobs (Origon & Nzozzo, 2011). Training and development activities are planned programs of organizational improvement, and it is important that they be planned as thoroughly as possible, for their ultimate objective is to link training content to desired job behaviors. According to Dessler (2011) the training process consists of conducting a need analysis by identifying the specific knowledge and skills the job requires, and compare these with the prospective trainee's knowledge and skills, determining training needs, formulating specific training objectives, reviewing possible training program content and estimating a budget for the training program. It also involves implementing the program by actually training the targeted employee group using methods such as online training and finally evaluating and assessing the program's success.

According to Wendell (2007) training and development activities begin when a new employee enters the organization, usually in the form of employee orientation and skills training. Employee orientation is the process by which new employees learn important organizational values and norms, establish working relationships, and learn how to function within their jobs. Skills and technical training programs then narrow in scope to teach the new employee a particular skill or area of knowledge. Once new employees have become proficient in their jobs, human resource development activities should focus more on developmental activities specifically, coaching and counseling. Coaching involves treating employees as partners in achieving both personal and organizational goals (Gary, 2011). Counseling as a form of coaching can be used to help employees deal with personal problems that may interfere with the achievement of these goals. Counseling programs may address such issues as substance abuse, stress management, smoking cessation or fitness, nutrition, and weight control. Human resource development professionals are also responsible for coordinating management training and development programs to ensure that managers and supervisors have the knowledge and skills necessary to be effective in their positions. These programs include supervisory training, job rotation, seminars and college courses (Vilma & Egle, 2007). Formal training programmes are effective in directly transferring the organizational goals and values to a whole group of people simultaneously (Shen, 2006). Appropriate training can develop managers at all levels including the knowledge and skills required to gain competency in order to manage change in organization in any business environment (John, 2000) In multinational companies, training can provide an important impetus to achieve shared values and facilitates network building between headquarters and subsidiaries. Hellriegel (2001) states that training of employees in organization increases higher productivity through better job performance, more efficient use of human resources, goals and objectives more effectively met, reduced cost due to less labour human resource development, reduced errors, reduced accidents and absenteeism, more capable, and mobile workforce and retention of the existing staff. Similarly, Echard and Berge (2011) stated that effective training techniques can produce significant business results especially in customer service, product development, and capability in obtaining new skill set. This linkage of training to business strategy has given many businesses the needed competitive edge in today's global market. Echard and Berge (2011) also provides that effective training and development improves the culture of quality in business, workforce, and ultimately the final product (Huang, 2001) an educated and well trained workforce is considered to be essential to the maintenance of a business firm's competitive advantage in a global economy.

Training enhances employee skills, knowledge and ability which in turn enhance task performance of individual and in the long run increases the organizational productivity (Huselid, 2013). However, Wood, (2009) argues that HRM practices are universal across organizations or whether the effectiveness of human resource development is contingent upon factors while (Asgarkhani, 2003) argues that the success of training is contingent upon the effectiveness of performance planning and measuring. The fact of the matter is that the three fundamental aspects surrounding this approach are process classification, selection of proposed methods, and delivery. Shandratilek (2007) emphasized that the point that the availability of high quality employees, places the organisation in a competitive advantage over others even within the same industry and that the inadequacy of expertise is a major constraint as such organisation take major concrete measures to organize training programmes. The resultant effects of properly executed training programmes are reflected through the performance management process (Dessler, 2005). According to Phillips and Connell (2003) today's employees want to be able to grow in their careers by improving skill set and experience in desired positions. Employees also want to advance in the organization, although this may not be through traditional promotions. Growth may mean employees work in areas that lead to new challenges; such as a special project or being a part of special team. Combining training with real world experience and a higher education program can result in a license or certificate which provides an excellent way for employees to achieve professional growth (Gary, 2011). Effective career management means that at all levels in the organization are well qualified workers who can assume more responsible positions as needed and that as many members of the organization as possible are highly motivated and satisfied with their jobs and careers (Jones, George & Hill, 2000). Therefore, opportunities such as promotions and training should be made available to employees in an organization. Since job status may play an important role in reducing human resource development, organizations should use it as a career reward and incentive to retain qualified employees (Zhao & Zhou, 2011). As suggested by Dessler (2005) interesting work assignments can lead to professional growth and career advancement. Such as on the job training can offer new challenges such as special projects or working on a process improvement team. A developmental assignment should be suited to the abilities of the employee. When properly designed, developmental assignments can train employees for more responsibilities. Such assignments provide an environment of growth and development by requiring the employee to use new skills that were not required in the regular job situation. New projects and assignment enable learning and provide a way through which employees can increase skills on the job through doing new tasks. Critical to employee success is the help by the leadership with mentoring employees, can undertake new assignments that benefit their own knowledge and skill levels and the organization's goals. In Nigeria, Aluko (2004) sought to establish how culture influenced human resources

management in textile companies. The study also attempted to determine the nature of the relationship, the determinants of performance and the ways in which culture interacted with other factors within the companies. Using both qualitative and quantitative methodologies, the study found out that irrespective of their cultural backgrounds, workers appeared to have imbibed the industrial way of life. The study further indicated a strong association between the cultural variables and level of commitment, staff attrition, and positive attitude towards work in all the companies studied.

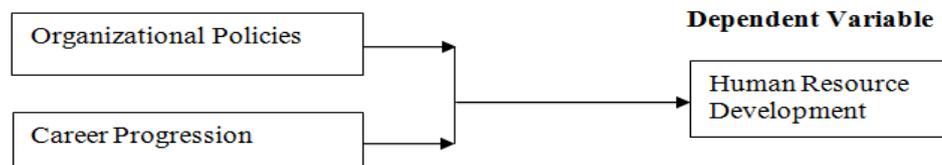
But these cultural variables did not translate directly to improved human resources management. Other factors such as economic changes, technological innovations and the turbulent political environment significantly influenced human resource management compared to the internal variables such as size of the firm and management. In another study, Mba (2013) investigated the effect of human resource development on employees' performance in the National Agency for Food and Drugs Administration and Control in Nigeria, and reported that there was a significant relationship between human resource development and increased employees' commitment and productivity. Osman (2014) studied the effect of human resource development in commercial banks in India. Using correlation coefficient, the study found that academic achievement had significant influence on competitive culture, entrepreneurial culture and consensual culture. Although this study is important it failed to establish the factors influencing the determinants of human resource development. In another study by Gulzar (2014) on the impact of human resource development on employees' job performance in Software Houses in Norway, customer service, risk-taking and communication system, participation, reward system and innovation were found to have a positively significant impact on organizational job performance.

In Kenya, Njugi (2014) studied the effect of human resource development on career progression in commercial banks in Kenya. Using a linear regression analysis to find out how human resource development correlated with career progression, the study failed to establish any significant influence as other factors had a stronger influence. Wairimu (2013) investigated the effect of human resource development on overall performance of microfinance institutions in Kenya. The study concluded that organizational ideals had a more significant influence on organizational job performance, than human resource development. In a study by Wesonga and Nyongesa (2011) on the impact of human resource development on performance in listed commercial banks in Kenya reported that the listed commercial banks had a culture which influenced employees' attitudes and behavior at work. Wamalwa's (2011) study on the effect of human resource development on work outcomes in selected commercial banks in Bungoma County demonstrated the need for financial institutions to support employees' development programmes. The study also found that employee responses to human resource development depended on the levels of employee commitment, professional needs and attitudes.

## 2.4 Conceptual Framework

The conceptual frame work below illustrates the interaction between the independent variables and intervening variable which influence the dependent variable.

### Independent Variables



**Figure 2.1:** Conceptual Framework

Source: Author (2017)

In this study the independent variables were organizational policies and career progression (skills training & further education). The parameters of organizational policies were training guidelines, regulations or polices on capacity building and organizational goals. The parameter for career progression included skills training and further education. These were the independent variables and were to be analyzed in relation to how they influenced human resource development in commercial banks in Nakuru Town central business district. The parameters of human resource development were skills development, personal development and organizational learning. Skills development included developing skills that enhance efficiency and effectiveness in service delivery while organization learning included learning about the organizational mission, service charter, values, goals and general policies. Personal development included enhancing personal competencies that promote work performance. The conceptual framework showed that if organizational policies were implemented they would enhance human resource development activities. Also human resource development would only be successful if workers are willing to engage in career progression through further training, workshops and seminars.

### III. Methodology

#### 3.1 Research Design

This study was based on a descriptive survey design. According to Kothari (2004) a descriptive research design describes the affairs as it exists at present. A descriptive research determines and reports the way things are and attempts to describe such things as possible behavior, attitudes, values and characteristics (Mugenda & Mugenda, 2003). The study hence considered descriptive survey suitable since data was collected from employees of branches of commercial banks in Nakuru Town central business district on factors influencing human resource development. This design was appropriate for obtaining information on research questions about the opinions of the respondents on the study variables (Kothari, 2004).

#### 3.2 Target Population, Sampling Design and Procedure

According to Cooper and Schindler (2001) a population is the total collection of individuals with common characteristics to which the researcher wishes to make inferences. In this study the target population consisted of all employees in the 38 branches of commercial banks in Nakuru Town central business district. A study sample of 30% of all the branches of commercial banks in Nakuru town central business district as recommended by Mugenda and Mugenda (2003) were involved in the study. This constituted 11 branches out of 38 branches. Simple random sampling was then applied to select the 11 branches. Census sampling was then applied in which all employees from the ten branches distributed across different cadres. The different cadres included management, supervisory and section heads and clerical and secretarial staff.

#### 3.3 Data Analysis and Presentation

After receiving the questionnaires from the respondents, they were edited to ensure they were complete and consistent. The data was coded to enable the responses be grouped into various categories. Descriptive statistics was used to summarize the data. This included percentages and frequencies. Inferential statistics which included regression analysis was used to establish the association between the independent and dependent variables. The regression model is as follows:  $Y = \alpha + \beta_1x_1 + \beta_2x_2 + e$

Where:

Y = Human Resource Development

$\alpha$  = Constant Term

$\beta_1$  to  $\beta_2$  = Regression Coefficients

$x_1$  = Organizational Policies

$x_2$  = Career Progression

e = Error Term (includes the net influence of other factors not in the model).

Descriptive and inferential data analysis was done with the aid of the latest version of Statistical Package for Social Sciences (SPSS) latest version. The results were presented in tables.

### IV. Results and Findings

#### 4.1 Descriptive Statistics

Analysis of descriptive statistics was done to establish the respondents' views on various study variables. Thus, respondents' views were sought in regard to organizational policies and career progression and human resource development.

#### 4.2 Organizational Policies and Human Resources Development

The researcher computed the means and standard deviation values of the responses to explore the respondents' perception in regard to organizational policies. The findings are as presented in table 1.

**Table 1: Perception of Respondents on Organizational Policies**

| Statements  | N          | Mean | Std. Dev |
|---|------------|------|----------|
| My bank has policies on development of human resources  | 132        | 3.84 | .995     |
| My bank has training guidelines that stipulate how training programs are conducted                      | 132        | 3.47 | .776     |
| In my department there are regulations on capacity building workshops                                   | 132        | 3.25 | .823     |
| Human resource development in my bank is aligned to the organizational policies on employee development | 132        | 3.10 | .980     |
| The policy lays down measures for mobilizing resources for implementing human resource development      | 132        | 3.01 | .895     |
| There are policies on monitoring the implementation of human resource development capacity              | 132        | 2.86 | 1.071    |
| <b>Valid N (listwise)</b>   | <b>132</b> |      |          |

From the findings the researcher established that the respondents strongly agreed that their bank had policies on development of human resources (M= 3.84, SD=0.995). This concurs with Akerele (2011) who found a strong association between policies on human resource development and level of commitment, staff

attrition, and positive attitude towards work. On the other hand commercial banks had training guidelines that stipulated how training programs were conducted (M=3.47, SD=0.776), there were regulations in the human resource development department on capacity building workshops (M=3.63, SD=0.823) and human resource development was aligned to the organizational policies on employee development (M=3.10, SD=0.980). In addition, the respondents agreed that the policy laid down measures for mobilizing resources for implementing human resource development (M=3.01, SD=0.895) and that there were policies on monitoring the implementation of human resource development capacity (M=2.86, SD=1.071). These findings concur with a study by John (2014) which reported that organizational policies significantly affected the human resource development in many financial institutions. The results are also in agreement with a study done by Adebabay (2005) which reported that there was significant positively interrelated between organizational policies and human resource development.

However, as noted by some of the respondents the daily pressure of achieving competitive targets deprive many organizations to formulate new policies that guide human resource development. This is in conformity with previous studies where respondents expressed that those with genuine need and interest to attend training are not getting opportunities because of their work responsibilities. Most banks apply programs which entail rotating the talented employees among different departments. It was also noted that due to banks' dominant hierarchical culture, most career programs are provided to management level at the expense of junior level. Generally, the result agrees with the findings of Ahmeti (2015) that the more developed and trained the employees are, the higher the level of motivation will rise, and more knowledge will be applied in their day-to-day work. They also concur with Birasnav and Rangnekar (2014) who established a link between human resource development and performance.

#### 4.2 Career Progression and Human Resources Development

The researcher further sought to determine the respondents' views regarding career progression among employees in their banks. The mean and standard deviation values were used to show the respondents views. The findings as shown in table 2.

**Table 2:** Career Progression in Commercial Banks

| Statements  | N          | Mean | Std. Dev |
|---|------------|------|----------|
| My bank encourages employees to undertake further studies by giving study leave           | 132        | 2.48 | 1.384    |
| my department provides employees with career charts to encourage progress in studies      | 132        | 1.93 | .893     |
| training providing employees the knowledge and skills needed to do a particular job       | 132        | 1.91 | 1.015    |
| training opportunities increase the capacities of employees to be productive in their job | 132        | 1.89 | .822     |
| formal training sharpens employees skills and knowledge                                   | 132        | 1.89 | .862     |
| opportunities for career progression enhances employees productivity                      | 132        | 1.81 | .901     |
| there are training programs for preparing employees for future leadership in the bank     | 131        | 1.79 | .909     |
| my department offers employees sponsorship for further studies                            | 132        | 1.79 | .973     |
| <b>Valid N (listwise)</b>   | <b>131</b> |      |          |

The findings indicated that few respondents agreed that their bank encouraged employees to undertake further studies by giving study leave (M=2.48, SD= 1.384) and that the training provided employees the knowledge and skills needed to do a particular task or job (M=1.91, SD=1.015). On the other hand, few respondents agreed that their department provided employees with career charts to encourage them to progress in their studies (M= 1.93, SD=0.893) and that there were training programs for preparing employees for future leadership responsibilities in the bank (M=1.79, SD=0.909). It is also revealed that lower responses were reported in regard to whether training opportunity increased the capacities of employees to perform productively in their current jobs, opportunities for career progression enhanced employees productivity, formal training sharpened employees skills and knowledge and their department offered employees sponsorship for further studies as indicated by mean effect of 1.81, 1.89, 1.89, and 1.79 with standard deviation of 0.901, 0.862, 0.822 and 0.901 respectively. A review of previous studies by Muriuki (2010) also noted that prospects for career progression were not frequent in commercial banks. Similarly, the results concur with Albrecht and Andretta (2011) who reported that human resource development may be influenced by availability of training opportunities for career progression in an organization although they were not frequently offered. Werner (2014) also noted that training and development which focused on changing or improving the knowledge, skill and attitudes of individuals was indispensable. The results also agree with Osman (2014) who found that

academic achievement had significant influence on competitive culture, entrepreneurial culture and consensual culture. Gulzar (2014) established that customer service, risk-taking and communication system, participation, reward system and innovation had a positively significant impact on organizational job performance. However, these results differ from the findings of a study by Njugi (2014) which failed to establish any significant influence career progression on human resource development.

**4.3 Inferential Statistics**

The study sought to establish the underlying relationships between the study variables and the extent to which the independent variables influenced the dependent variables. Correlation analysis and regression analysis were used to accomplish this purpose.

**4.3.1 Organizational Policies and human resource development**

The researcher sought to establish the relationship between organizational policies and human resource development in commercial banks in Nakuru Town central business district. The composite scores for organizational policies were correlated with those of human resource development. Pearson product moment correlation coefficient was used to show the relationship between the two variables. The results are presented in table 3.

**Table 3:** Relationship between Organizational Policies and human resource development

| Human Resource Development | Organizational Policies |       |  |
|----------------------------|-------------------------|-------|--|
|                            | Pearson Correlation     | 0.217 |  |
| Sig. (2-tailed)            | 0.008                   |       |  |
| N                          | 132                     |       |  |

The findings indicated the presence of a positive relationship ( $r=0.217$ ;  $p=0.008$ ) between organizational policies and human resource development in commercial banks in Nakuru Town central business district. Moreover, the relationship was statistically significant at  $p<0.01$  level of significance. Therefore, the researcher observed that organizational policies significantly determined human resource development in commercial banks in Nakuru Town central business district. As such, the first hypothesis  $H_{01}$  which stated that there was no statistically significant effect of organizational policies on human resource development in commercial banks in Nakuru Town central business district was rejected. It can be noticed that the research hypothesis, in general, is supported by data. This can be due to the bank’s market culture that urges employees to be prepared to solve the daily challenges actively.

**4.3.2 Career Progression and Human Resource Development**

The study further sought to assess the effect of career progression on human resource development in commercial banks in Nakuru Town central business district. Pearson product moment correlation coefficient was used to test the hypothesis that there was no significant effect of career progression on commercial banks’ human resource development in Nakuru Town central business district. The findings are presented in table 4.

**Table 4:** Relationship between Career Progression and Human Resource Development

| Human Resource Development | Career progression  |       |  |
|----------------------------|---------------------|-------|--|
|                            | Pearson Correlation | 0.147 |  |
| Sig. (2-tailed)            | 0.025               |       |  |
| N                          | 132                 |       |  |

The findings indicated the existence of a positive relationship ( $r=0.147$ ,  $p=0.025$ ) between career progression and human resource development in commercial banks in Nakuru Town. Therefore, the null hypothesis  $H_{02}$  which stated that there was no statistically significant effect of career progression on commercial banks’ human resource development in Nakuru Town central business district was rejected. However, the relationship was not statistically significant at  $p<0.01$  level of significance. The researcher concluded that human resource development in commercial banks in Nakuru Town central business district slightly depended on career progression. In the views of this association, it can be seen that employees need to be prepared to solve the daily market problems and challenges actively through forma training. Therefore, the hypothesis suggests that human resource development practices are significantly affected by career progression.

**4.4 Regression Model**

The researcher attempted to fit a regression model for this study to show the relationship between the independent variables and the dependent variable. Multiple regression analysis was performed and the results presented in table 5.

**Table 5: Model Summary**

| Model  | R                        | R Square     | Adjusted R Square | Std. Error of the Estimate |
|--|--------------------------|--------------|-------------------|----------------------------|
| <b>1</b>   | <b>0.391<sup>a</sup></b> | <b>0.153</b> | <b>0.037</b>      | <b>0.4103</b>              |
| a. Predictors: (Constant), Career Progression, Organizational policies |                          |              |                   |                            |

The model summary indicated the presence of a weak positive multiple correlation (R=0.391) between the independent variables and the dependent variable. Further, the R squared value of 0.153 indicated that the independent variables accounted for 15.3% of the total variance in the human resource development (dependent variable). Therefore, the researcher observed that the independent variables and the dependent variable were not mutually exclusive. The analysis of variances yielded the following results in table 6.

**Table 6: ANOVA<sup>a</sup>**

| Model  |            | Sum of Squares | df  | Mean Square | F     | Sig.               |
|--|------------|----------------|-----|-------------|-------|--------------------|
| 1  | Regression | 2.165          | 4   | 0.689       | 3.104 | 0.022 <sup>b</sup> |
|  | Residual   | 19.217         | 128 | 0.222       |       |                    |
|  | Total      | 24.571         | 132 |             |       |                    |
| a. Dependent Variable: Human resource development                      |            |                |     |             |       |                    |
| b. Predictors: (Constant), Career progression, Organizational policies |            |                |     |             |       |                    |

The study established that the F-ratio ( $F_{(4,128)} = 3.104, p=0.022$ ) was statistically significant at  $p < 0.05$  level of significance. This showed that the independent variables taken together significantly influenced human resource development in commercial banks in Nakuru Town. The model coefficients values from the regression analysis are presented in table 7.

**Table 7: Coefficients<sup>a</sup>**

| Model   |                         | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|---|-------------------------|-----------------------------|------------|---------------------------|-------|-------|
|   |                         | B                           | Std. Error |                           |       |       |
| 1   | (Constant)              | 3.045                       | 0.763      |                           | 3.237 | 0.001 |
|   | Organizational Policies | 0.217                       | 0.145      | 0.041                     | 0.332 | 0.041 |
|   | Career Progression      | 0.147                       | 0.102      | 0.179                     | 1.359 | 0.049 |
| a. Dependent Variable: Human Resource Development |                         |                             |            |                           |       |       |

From the model coefficients table, the following mathematical model was fitted  $Y = 3.045 + 0.217X_1 + 0.147X_2 + e$ . From the derived regression model, with all the other factors remaining constant, human resource development in commercial banks in Nakuru Town central business district had a constant value of 3.045. It is also evident that the *B* value of 0.217 supported by a probability value of 0.041 indicated how much of the variation in human resource development could be explained by organizational policies. In this case, while holding other factors constant, 21.7% of human resource development in commercial banks in Nakuru Town central business district could be explained by organizational policies. Finally, the regression for career progression was also obtained. From the findings, the *B* value of 0.147 supported by a probability value of 0.049 indicated how much of the variation in human resource development in commercial banks in Nakuru Town central business district could be explained by career progression. In this case, the lowest percentage of 14.7% of human resource development in commercial banks in Nakuru Town central business district could be explained by career progression.

## V. Conclusions and Recommendations

### 5.1 Conclusion

The purpose of this study was to investigate the factors affecting human resource development in commercial banks in Nakuru Town. From the findings, the study concludes that organisational policies influenced the human resource development in commercial banks as indicated by correlation analysis. Based on this analysis, 21.7% of commercial banks' human resource development in Nakuru Town central business district was explained by organisational policies. It is also concluded that career progression slightly determined human resource development in commercial banks in Nakuru Town central business district by 14.7% although the influence was negligible.

In general, the study concluded that organizational policies and career progression positively influenced human resource development in commercial banks in Nakuru Town central business district. The R-squared value of 0.153 indicated that the independent variables accounted for 15.3% of the total variance in human resource development (dependent variable). The highest influence was explained by organizational policies and finally career progression.

## 5.2 Recommendations

Based on the findings and conclusions drawn from the study, several recommendations are made for policy makers, practice and theory. Commercial banks should move towards an adhocracy type of culture where they can be more proactive to adapt to changing employee dynamism by considering their career progression. The banks should view their staff as potentials rather than merely resources; and thus invest in employees' personal development. There is need to widen the scope of human resource development to include staff development programs and to enhance employees' self-awareness. Therefore, commercial banks in Nakuru Town central business district should expand their budgetary allocations to include adequate financial allocation to human resource development. The study also recommends continuous support of career progression so as to improve financial ability in commercial banks in Nakuru Town central business district. Through career progression, the banks will be able to motivate employees to direct their effort in the banks' activities. There is also need for commercial banks to embrace organizational policies on human resource development as this will help to maximize and improve the financial status of commercial banks in Nakuru Town central business district.

In regard to practice, it is also pertinent to note that most studies on human resource development in the banking sector have reported an average to moderate level of overall human resource development compliance. The current study is not an exemption. Yet, human resource remains the most reliable source of sustainable competitive advantage and critical success factor. In view of the utmost importance of human resource to the banking sector, human resource development managers need to be more proactive, innovative and flexible in managing and developing organizational workforce. This includes investment in human capital, creating an enabling environment and developing and utilising innovative human resource development practices. Investing in people is not an option but an obligation from the point of entry of an employee to the point of departure from the organization.

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