

Training and Development Outsourcing and Organizational Resilience in Deposit Money Banks in South- South, Nigeria

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Abstract

The purpose of this study was to investigate the relationship between Training and development outsourcing and organizational resilience of deposit money banks in south-south, Nigeria. The research design adopted in this study is the cross-sectional survey. The population of the study covered a total of 126 (One hundred and twenty six) Regional and Group Heads of the 18 deposit money banks in south-south, Nigeria. The data used were obtained from both primary sources. The primary source involved the distribution of questionnaire to the regional and group heads of the selected banks in south-south, Nigeria. Thus, the population of employees in these banks amounted to 126, the researcher adopted the Census sampling technique to determine an appropriate manageable sample size for the study. Thus, the entire population of 126 Regional and Group Heads was selected because of the size. A total of 126 copies of the questionnaire were administered to the respondents. The hypotheses were tested at a significance level of 0.05 using the analytical tool. The findings of the study revealed that: Training and development outsourcing have a very strong and positive relationship with organizational resilience measures of adaptive capacity, dynamic capabilities and keystone vulnerability management. Therefore, the study concluded that Training and Development outsourcing is necessary for contemporary banking as competency and skills is what is expected for Banks to function effectively. This study recommends that bank managers should engage in outsourcing of training and development function of the HR so that human capital can be developed, that will enable them have a workforce that will reflect learning, flexibility to experiment and adopt novel solutions, and the development of generalized responses to broad classes of challenges.

Keywords: *Training/Development Outsourcing, Organizational Resilience, Dynamic capacity, Adaptive capacity.*

Introduction

Successful organizations today are those ones that have the ability to survive and thrive in challenging times such as the economic downturn, natural disasters and global conflicts. The ability to withstand sudden incremental change or enormous downturn is the desire of any organization which aims at sustainable development. It is generally believed by many researchers and business analysts that the growth and progress of any organization highly depends on the way the management empower its employees with the needed skills and competency for effective organizational performance, (Islam & Siengthai 2012; Akdere, 2016). Unfortunately, it appears true that several organizations have been incapable of sustaining their businesses as a result of inadequate measures to create a resilient capacity and working environment for their employees and business. Invariably, there seems to be a lot of neglect on the side of the management when it comes to providing strategies for resilient capacities for employees' performance. Thus, there is need for today's business organization to be resilient and survival conscious so that they can effectively motivate their workforce towards absolute commitment to their jobs.

Kpakol and Zeb-Obipi (2017) define resilience as the ability of an organization to forecast and plan for unforeseen circumstances that might affect the operation of the business. Kikuchi and Yamanguchi (2018) perceive resilience as a term which essentially refers to the physical ability to return to one's original state, elasticity or flexibility. In addition, there are a number of definitions and concepts of resilience in the field of psychology. Oshio, Nakatani, Kaneko and Nagarnne (2017) consider resilience as "mental restoration ability" which is characterized as the internal ability owned by individuals who can flexibly cope with and recover from

temporary mental illness. Thus, workers deserve to be given enough skills and competency that will equip them with needed knowledge and information on how to operate and manage the business in times of challenges.

Many managers in organizations realize that the use of outside providers is more efficient and less costly than hiring full time staff to handle the HR functions in house (Galanaki & Papalexandris, 2017). In fact, demands for increased productivity, profitability, and growth have encouraged organizations to analyze their internal HR processes, resulting in a move towards strategic outsourcing activities (Cooke, Shen & McBride, 2015). Moreover, Training/Development outsourcing enables organizations to profit from the rising comparative advantage of specialized service providers who have expertise in the areas concerned (Smith, Dein & Gotta 2006; Cooke, et al., 2015). Apart from that, Training/Development outsourcing allows organizations and external vendors to collaborate their consultative and strategic roles in designing and implementing programs with which to enhance organizational performance (Greer, Youngblood & Gray, 2018). In short, the main reasons for outsourcing Training/Development appear to be fairly consistent. Typical reasons include seeking specialist services and expertise, enhancing the quality of the services, cost reduction and enabling Training/Development outsourcing specialists to take on a more strategic role.

In this vein, Burnard and Bhamra (2011) demonstrated that organizations that strive to enhance their resilience would be better prepared to overcome high impact-low probability events and environmental discontinuities in significant ways bridge this gap and enhance the functionality and contributions of deposit money banks in Nigeria. Based on the foregoing, Olajide (2004) affirms that there is a growing need for organizations within the context of Nigeria to embrace change in all its ramifications. Change which is an evitable part of environmental factors could affect organizations both positively and negatively which is why it becomes pertinent necessary for Nigeria organizations to also change at a pace and rhythm which matches the expectations of not only its particular context but also the global business environment.

The importance of carrying out an empirical research in the context of organizational resilience in relationship to Training/development outsourcing within deposit money banks is apt. Thus, a lacuna in content which assesses the uniqueness of the organizational resilience operational model with regards to context; especially the nature of that which addresses the resilience of Nigerian based deposit money banks to the pace, cycle and functions of change in their environment. Understanding the underlying issues that could threaten the existence and survival of deposit money banks, in the banking sector could give them a competitive advantage over other sector of the economy. This study therefore addresses gaps in literature that could serve as blueprint for deposit money banks especially as it departs from previous researches in its investigation of the relationship between Training/development outsourcing and organizational resilience of deposit money banks in South-South, Nigeria.

The purpose of this study is therefore to investigate the relationship between Training/development outsourcing and Organizational resilience in Deposit Money Banks in South-South, Nigeria. While the following questions will be examined:

- i. To what extent does Training/Development Outsourcing correlate with Adaptive capacity of deposit money banks in south-south, Nigeria?
- ii. To what extent does Training/Development Outsourcing correlate with Dynamic capacity of deposit money banks in south-south, Nigeria?

Conceptual Framework

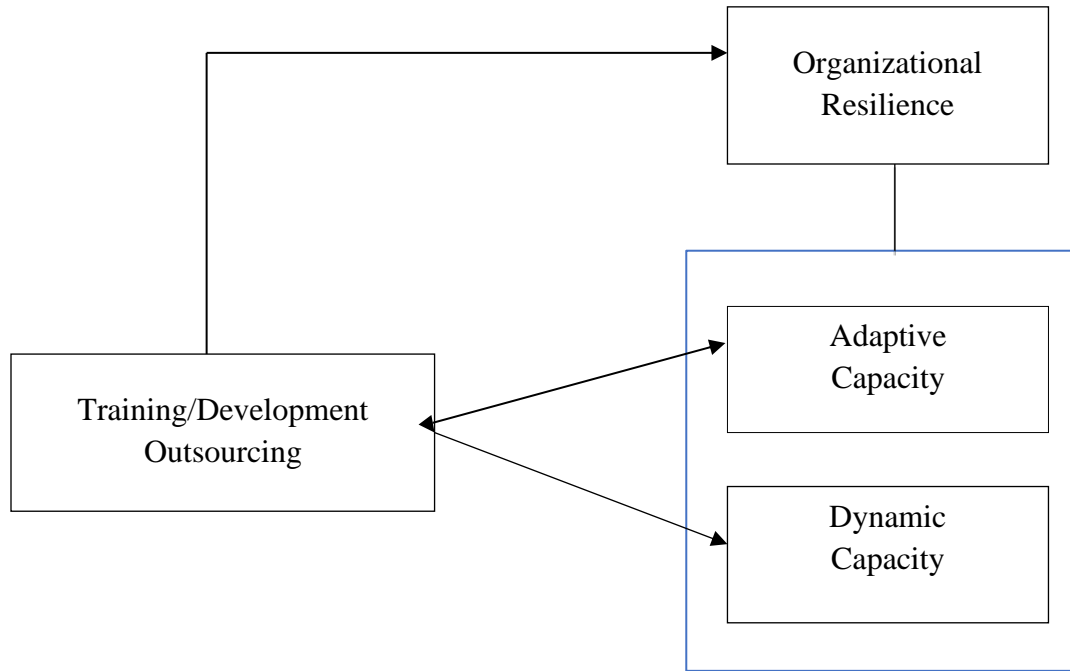


Fig.1. Conceptual framework showing the relationship between Training/Development Outsourcing and Organizational Resilience.

Theoretical Framework

In our effort to search and conceptualize how Training and Development Outsourcing enhances the Organizational Resilience of deposit money banks, some theories of Training and Development Outsourcing were reviewed. This study looked at the Transaction cost theory is conceptually beneficial in helping to appreciate the complexity of an organization’s outsourcing cost, the fluidity of its responsibility, and the vigorous role of technology in different contexts (Norman, 2010). This can be demonstrated with an understanding of how cost is minimized as a result of outsourced responsibility in the organization (Linderoth, 2010).

The transaction cost is relevant to the current study in the sense that when deposit money banks consider how to cut costs in order to remain competitive and ultimately remain in business, outsourcing is one of the ways they could do that. This is in line with the tenets of transaction cost theory that the choice of producing in-house or buying from outside should be made on the basis of costs involved in both the operations. The deposit money banks consider the critical areas that are needed for business survival and are resource consuming should they decide to pursue the objectives of effectiveness and efficiency in those critical areas. Outsourcing them comes to mind. And outsourcing the key areas that are cost carriers enables them to have competitive advantage over others. However, this is usually done after considering the internal and external costs of providing the good/service as well as the cost of managing the transaction in-house and outside (Klaas, McClendon & Gainey, 1999).

Conceptual Review

Training and Development Outsourcing

Training and development outsourcing has been viewed as an effective management strategy, especially in organizations operating in highly competitive international business environments. Although evidence has suggested that the amount of training and development outsourcing may be increasing (Babcock, 2015), there is considerable variation in how firms have utilized this HR practice (Csoko, 2016). While some firms have achieved positive outcomes from outsourcing training, others report that they failed miserably (Baker, 2017). Shih and Chiang (2017) recently concluded that scholars appear to hold differing opinions of the effects of training outsourcing. Two competing perspectives dominate existing studies on training outsourcing. The first view considers training outsourcing as a value-creating activity that may bring cost savings and operational flexibility (Cooke, *et al.*, 2015; Klass, Mc Clendon & Gainey, 1999), whereas the second perspective believes that some training activities should not be outsourced as it leads to declining innovation (Kotabe, 2015) and reduced performance (Gilley & Rasheed, 2017). Ongoing debate over the most appropriate perspective to explain training outsourcing and inconclusive research findings may result in ineffective outsourced Human resource development practices.

Training is the organized way in which organizations provide development and enhance quality of new and existing employees. Training is viewed as a systematic approach of learning and development that improve individuals, groups and organizations (Goldstein & Ford, 2012 in Khawaja & Nadeem, 2013). Thus it is the series of activities embarked upon by organization that leads to knowledge or skills acquisition for growing purposes, thereby, contributing to the well-being and performance of human capital, organization, as well as the society at large. According to Manju and Suresh (2016), training serves as an act of intervention to improve organization's goods and services quality in competition by improvements in technical skills of employees. Similarly, Development refers to activities leading to the acquisition of new knowledge or skills for the purposes of growing. Organizations provide employees with development programmes in order to enhance their capabilities. Employee development is gaining an increasingly critical and strategic imperative in organizations in the current business environment (Sheri-lynn, 2017, as cited in AbdulHameed, 2018). Thus organizations need to invest in continuous employee development in order to maintain employees as well as the organization success (Khawaja & Nadeem, 2013).

Organizational Resilience

According to Weick, Sulcliffe and Obstfeld (2017) resilience is the maintenance of positive adjustment under severe challenging conditions or situations. It is also the ability of a system to absorb disturbance and reorganize while undergoing change so as to still remain the same function, structure, identity and feedback (Walker, 2014). This means that despite severe challenges threatening the very existence and life of an organization or a system, an organization or system possess the ability to survive, adapt, and bounce back from it crisis and disturbances, to thrive and enhance its core capabilities. Folkeet (2010) opined that organizational resilience is the capability of the organization to deal with change and continue to develop such as fostering learning and adaptation. Zeb-Obipi, Obiekwe and Ateke (2019) note that organizational resilience is an organization's ability to survive and cope with crises and disturbances facing it. They added that a resilient organization therefore is one that is able to create structure, dissolve it, provide safety in the midst of change, and manage the emotional consequences of continuous transformation and change, learn to develop and grow.

Adaptive Capacity

Luthans (2014) defined adaptive capacity as the extent to which a system can modify its circumstances to move to a less vulnerable condition. It is the ability of an organization to alter its strategy, operation, management system, governance structure and decision - support capabilities to withstand perturbations and disruptions. Similarly, Zeb-Obipi *et al.*, (2019) views it as an aspect of resilience that reflects learning, flexibility to experiment and adopt novel solutions, and the development of generalized responses to broad classes of challenges.

Dynamic Capacity

This can be defined as the capability of an organization to purposefully adapt an organization's resource base. It is a firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environment (Teece, Pisano & Shuen, 2010). Teece *et al.* (2010:20) defined dynamic capability as “the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments”. Umoh *et al.* (2018) share that dynamic capabilities can be distinguished from operational capabilities which pertain to the current operations of an organization. Helfat, (2007) as cited in Teece, *et al* (2010:23) that dynamic capability refer to ‘the capacity of an organization to purposely create, extend or modify its resource base. As Umoh *et al.* (2014) noted that the basic assumption of the dynamic capability framework is that core competencies should be used to modify short- term competitive positions that can be used to build longer-term competitive advantage.

In the course of this study two researchable hypotheses were stated, which include:

H01: There is no correlation between Training and Development Outsourcing and Adaptive Capacity of deposit money banks in south-south, Nigeria.

H02: There is no correlation between Training and Development Outsourcing and Dynamic Capacity of deposit money banks in south-south, Nigeria.

Methodology

The research design for this study will be cross-sectional survey. The accessible population of the study comprises of **126 Regional and Group Heads of the** selected deposit money banks in south-south, Nigeria. The sample size for this study is the entire population using census/purposive techniques. The primary source of data collection was adopted using questionnaire. The data were analyzed using tables, means and standard deviations. The Spearman Rank Order Correlation Coefficient (rho) with the aid of SPSS version 22 statistical software to analyze the null hypotheses. Also a five (5) point likert scales was used to measure the respondents’ choices and opinions, ranging from strongly agree to strongly disagree and two (2) items were extracted from each of the variables.

Data Presentation and Analysis

H01: There is no statistically significant relationship between Training and Development outsourcing and Adaptive Capacity of deposit money banks in south-south, Nigeria.

Table 1 Correlation between Training and Development Outsourcing and Adaptive Capacity

		TRNDEVT	ADAPTCAP
Spearman's rho	TRNDEVT	Correlation Coefficient	1.000
		Sig. (2-tailed)	.908**
		N	.
		N	106
	ADAPTCAP	Correlation Coefficient	.908**
		Sig. (2-tailed)	1.000
		N	.
		N	106

** . Correlation is significant at the 0.01 level (2-tailed).

Source: (SPSS output of Data, 2020)

Decision1: The result of the statistical analysis above (as indicated by the Spearman rank correlation coefficient, rho (0.908**), shows that training and development has a strong positive relationship with adaptive capacity of deposit money banks in south-south, Nigeria.

Ho₂: There is no statistically significant relationship between Training and Development Outsourcing and Dynamic Capacity of deposit money banks in south-south, Nigeria.

Table 2 Correlation between Training and Development Outsourcing and Dynamic Capacity

		TRNDEVT	DYNMCAP
Spearman's rho	TRNDEVT	Correlation Coefficient	1.000
		Sig. (2-tailed)	.930**
		N	.000
	DYNMCAP	Correlation Coefficient	.930**
		Sig. (2-tailed)	1.000
		N	.000

** . Correlation is significant at the 0.01 level (2-tailed).

Decision₂: The result of the statistical analysis above (as indicated by the Spearman rank correlation coefficient, rho (0.930**), shows that training and development has a strong positive relationship with dynamic capacity of deposit money banks in south-south, Nigeria

Discussion of Findings and Conclusion

In response to research question one and test of hypothesis 1, by Mean, Standard deviation and Spearman rank order correlation coefficient, the result (as indicated by the rho = +0.908), revealed that there is a strong positive relationship between Training and Development outsourcing and Adaptive Capacity of deposit money banks in south-south, Nigeria. These results imply that the more training and development aspect of human resource is outsourced or outsourcing is embraced by the banks, the more the banks are likely to develop the resilience capabilities needed to survive in the industry.

In other words, with training and development outsourced, they would adapt by ensuring that there is flexibility to experiment and adopt novel solutions and thus develop generalized responses to the issues of challenges bedeviling the banking industry. Furthermore, they would be able to survive, and cope with crisis and disturbances emanating within the industry including during time of credit crunch. (Teece, Pisano & Shuen, 2010), as well the identification, proactive management, and treatment of vulnerabilities that if realized, would threaten the organization’s ability to survive, develop and leveraged on for competitive advantage. This advantage will come to the deposit banks through the rapidly developing of the resilient traits including learning and growing with innovation. This is in line with the argument of Zeb-Obipi, Obiekwe and Ateke (2019) that a resilient organization therefore is one that is able to create structure, dissolve it, provide safety in the midst of change, and manage the emotional consequences of continues transformation and change, learn to develop and grow.

In response to research question two, the result shows that the majority generally agreed to a high extent that Training and Development outsourcing correlate with Dynamic Capacity of deposit money banks in south-south, Nigeria (as indicated by grand means of 4.12 and 4.03 respectively). The final grand mean (4.07) also affirms there is a close relationship between the two variables. Also, from the result as revealed in the test of hypothesis 2, it was shown by the Pearson Product Moment Correlation Coefficient (+0.818) that there is a very strong, positive relationship between team work and work environment among Nigerian manufacturing firms in Port Harcourt. This result was also further corroborated by the findings of Cohen and Ledford (2014), who claimed that improvement of the quality of working relationships, is mentioned as an effect of working in teams. Conclusively, the study has shown with statistical proof that employee-employee relationship correlate positively and quite strongly with quality of work life of employees in Manufacturing Firms in Port Harcourt, Rivers State. The findings of the study has also shown with statistical evidence that when a good employer-employee relationship, is in place, employees seem to enjoy their work environment more and are also able to show satisfaction on their jobs.

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