

Impact of Human Resource Development Practices on Employee Competencies

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ABSTRACT

The aim of this paper is to examine the impact of human resource development practices on employee competencies. An integrated research model was developed by combining principal factors from existing literature. Data were collected through questionnaire from 500 employees of the selected branches of GCB bank Ltd. The validity of the model and hypotheses were tested using structural equation modeling (SEM). The reliability and validity of the dimensions are established through confirmatory factor analysis. The results indicate that some human resource development practices have a significantly impact on employee competencies. However, performance appraisal and compensation did not impact employee competencies of the firm studied. The research was undertaken in the banking industry and the analysis based on cross-sectional data which cannot be generalized across a broader range of sectors and international environment. The findings of the study will help the board and management of GCB Bank Ltd in espousing suitable and well-articulated HRD practices which will improve the competence of employees and enhance organizational effectiveness. This study contributes to the human resource development literature, integrating HRD practices into a comprehensive research model that impacts employee competencies.

Keywords: HRD practices, Employee competencies, Banking industry, SEM.

INTRODUCTION:

Human resources are considered a specific resource in an organization which influences a company's success and its competitive position (Becker and Huselid, 2006; Wright et al., 1994). Establishing a competitive edge via people necessitates conscientious thought to processes that perfectly influences these resources. Such resources take on special relevance when dealing with intensive service industries, especially, the banking industry, where there is much more extensive direct contact between employees and customers at the service interface (Delery and Doty, 1996). Human resource development practices are more exact than policies; they are programs planned and put into action to enhance employee competencies, in order for employee to function efficiently and attain performance expectancies (Clardy, 2008; Nilsson and Ellstrom, 2012). Werner and DeSimone (2006) posited that, human resource development practices are programs which are designed to be strategically oriented to organizational process for managing the development of human resources to contribute to the overall success of the organization. Boyatzis (1982) define competency as the underlying characteristic of a person that could be a motive, trait, and skill, aspect of one's self-image or social role, or a body of knowledge which he or she uses. The banking industry which is part of the global service industry, plays an important role in the financial system of the country (Hinson et al., 2006). The health of a country's economy is closely related to the soundness of its banking system (Parameswaran and Natrajan, 2001). Banks have become very effective

partners in the process of economic development (Harker and Zenios, 2000). The banking industry can be said to be evolving, monopolistically competitive and promising in terms of savings mobilization, development financing and service delivery (Biekpe, 2011). Despite the banking industry's unique feature of service intensity, only a few studies examined the impact of human resource development practices on employee competencies. Therefore, this study attempted to examine the impact of human resource development practices on employee competencies in the banking industry, with particular reference to junior staff members from the rank of clericals to senior clerk.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT:

Human Resource Development Practices:

Chalofsky (1992) defined human resource development "as the study and practice of increasing the learning capacity of individuals, groups, human collectives and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness" (p. 179). Swanson and Holton (2009) contend that, there is an increasing demand to develop effective and efficient human resource development practices to improve the competence of the workforce and for enhancement of organizational effectiveness. Human resource development practices are programs which are designed to be strategically oriented to organizational process for managing the development of human resources to contribute to the overall success of the organization (Werner and DeSimone, 2006, p.26). Clardy (2008) postulate that, organizations have used human resource development practices as an important strategic mechanism to stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes which can increase productivity and performance. Smith (1988) identified training and development, organizational development, employee assistance programs, career development, performance appraisal, compensation, employee relation, recruitment and employee outplacement as HRD practices. Similarly, Rao (1987) identified training and development, performance appraisal, rewards, organizational development, career development, feedback and counselling, potential development, employee involvement and job rotation as HRD practices.

Employee Competencies:

Draganidis and Gregoris (2006) defined competency as a combination of tacit and explicit knowledge, behaviour and skills that gives someone the potential for effectiveness in task performance. This view appears to be supported by Milošević et al. (2007) who posited that, competencies are a cluster of related knowledge, skills, personal qualities and experience. Along the same line, Bartram et al. (2002) and Woodruffe (1992) opined that, competencies are a set of behaviour patterns that an incumbent need to bring to a position in order to perform its tasks and functions in the delivery of desired results or outcomes. Hellriegel and Slocum (2011) identified ethical competency, self-competency, diversity competencies, across cultures competency, communication competency, team competency and change competency as the seven key competencies that affect the behaviour of individuals, teams and effectiveness of the organization. Accordingly, the following competencies are examined: self-competency, team competency, change competency, communication competency and ethical competency.

Human Resource Development Practices and Employee Competencies:

Clardy (2008) posited that, organizations have used human resource development practices as an important strategic mechanism to stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes which can increase productivity and performance. Kehoe and Wright (2013) contend that, human resource development practices are fundamental determinants for workers to develop competencies which considerably improves organizational functioning. Similarly, Haslinda (2009) postulate that, human resource development practices improve employees' capabilities on the job, productivity and efficiency, as well as enhance the quality of goods and services. Yuvaraj and Mulugeta (2013) emphasized that human resource development practices continuously improve employee's capabilities and performance through the exiting practice of training and development, career development, performance appraisal and management and organizational development. This is consistent with the contentions of Shih et al. (2006) who argue that, improvements in the skills and abilities of employees are expected to generate prospective returns through increased productivity and business performance. The following HRD practices are examined: training and development, career development, performance appraisal, compensation and employee involvement.

Training and Development and Employee Competencies:

Agnew et al. (1997) opined that to promote organizational performance and industry competitiveness, workforce training and development is an important adjunct. Goldstein (1986) defined training and development "as the systematic acquisition of skills, rules, concepts, or attitudes that result in improved

performance” (p.837). Mackelprang et al. (2012) and Millar et al. (2012) argue that, training enhances employees’ capabilities which are instrumental in improving overall organizational performance. This view appears to be supported by Zumrah et al. (2013) who contend that, employees who participated in training apply the new learned skills, knowledge and attitude in their everyday work and demonstrate better abilities and competencies in performing their job. This is consistent with the study of Aragón-Sánchez et al. (2003) who indicated that HRD efforts provide a wide array of training and development opportunities for employees, and employees exposed to HRD programs are in a favorable position to improve various task-related KSAs and task-related efficacy. Therefore, the following hypothesis is proposed.

H1: Training and development has a significant impact on employee competencies.

Career Development and Employee Competencies:

Leibowitz et al. (1986) posited that, career development involves an organized, formalized, planned effort to achieve a balance between the individual’s career needs and the organization’s work force requirements. Milkovich and Boudreau (1998) contend that, a well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance. Along the same lines, McDonald and Hite (2005) who deliberates that, career development interventions enhance employee’s constructive attitude concerning the organization. This is consistent with the contentions of Gilley et al. (2009) who postulate that, career development interventions assist in building a partnership between the organization and its employees, enriching their knowledge, skills, and abilities, by improving individual competencies. Therefore, the following hypothesis is proposed.

H2: Career development has a significant impact on employee competencies.

Performance Appraisal and Employee Competencies:

Obisi (2011) defines performance appraisal as any work process that entails setting work standards, evaluating employees’ actual performance relation to these standards. Meyer and Kirsten (2005) argue that, managing performance of employees forms an integral part of an organization and reflects how they manage their human capital. Along the same lines, Giles et al. (1997) contend that, an effective performance appraisal should encompass an overall framework or context that enables the entire process to operate at an optimal level of performance. This is consistent with the findings of Caldwell et al. (1990) and Kinicki et al. (1992) who postulate that, integrated human resource and performance management policies has significant influence on employee attitude and commitment. The following is hypothesized.

H3: Performance appraisal has a significant impact on employee competencies.

Compensation and Employee Competencies:

Dessler (2009) defines compensation as “all forms of pay or rewards going to employees and arising from their employment”. Frye (2004) argue that, compensation plays an important role in organizations that depend on human capital as an incentive in attracting and retaining skilled employee. This view appears to be supported by Mayson and Barret (2006) who contends that, a firm’s ability to attract, motivate and retain employees by offering competitive salaries and appropriate rewards is linked to firm performance and growth. Denis et al. (2011) assert that, in an ever competitive business environment, many companies today are attempting to identify innovative compensation strategies that are directly linked to improving organizational performance. The following hypothesis is proposed.

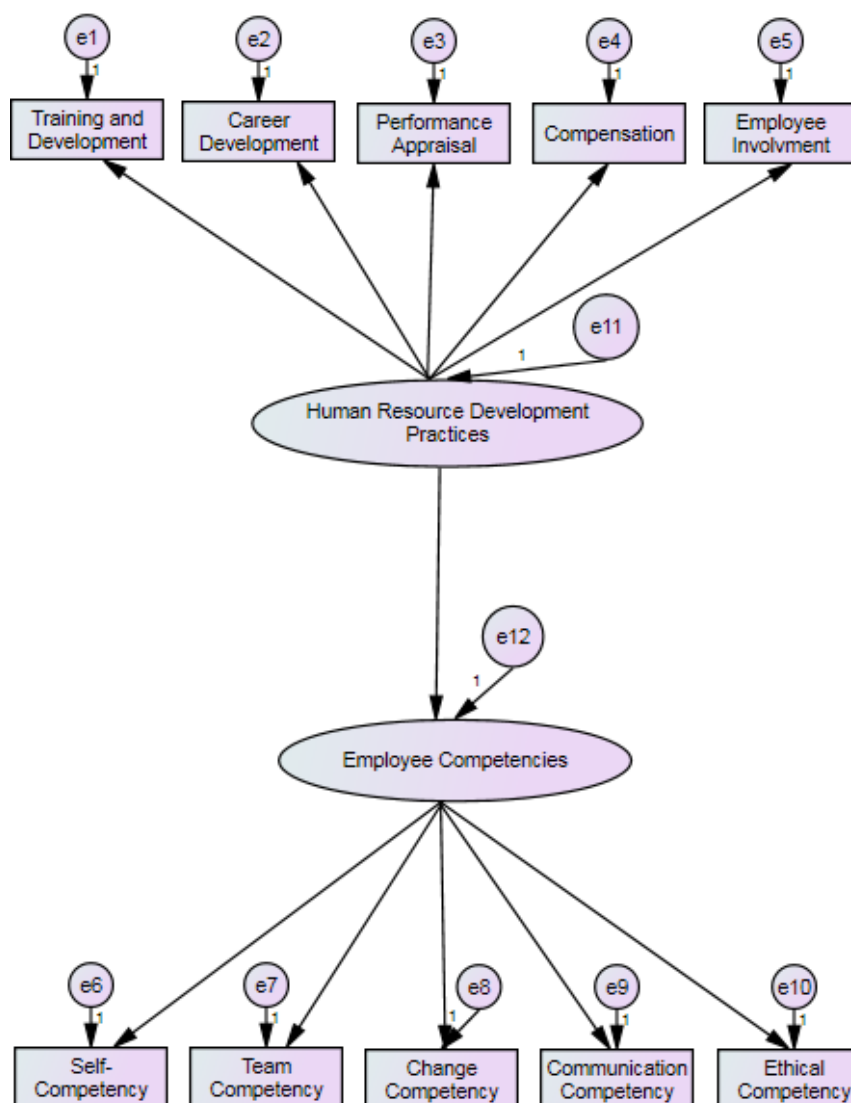
H4: Compensation has a significant impact on employee competencies.

Employee Involvement and Employee Competencies:

Denison (2007) defined employee involvement as the “level of participation by members in an organization’s decision-making process and the sense of responsibility and commitment thereby engendered”. This views appears to be supported by Ardichvili et al. (2003) who emphasize that, employee involvement is an essential element in the effective execution of contemporary management strategies and plays a significant role in ascertaining the extent of job satisfaction, increase employee commitment and motivation. Similarly, Rossler and Koelling (1993) contend that, involvement entails building human capacity, ownership and responsibility, which leads to united vision, values and purpose. This is consistent with the study of Chu (2005) who indicated that employee involvement can help achieve better implementation of customer focus, quality and continuous improvements. The following is hypothesized.

H5: Employee Involvement has a significant influence on employee competencies.

The Structural equation model is depicted in figure1.



METHODS :

Research Setting and Data Structure:

In order to test the proposed model, an empirical study was conducted in the Tema and Accra zones of GCB Bank limited. The banking industry has a series of characteristics that are very suitable for this study. Basically, it is an intensive service industry as far as HR is concerned and may be argued much more extensive direct contact exist between employees and customers at the service interface (Delery and Doty, 1996). A structured questionnaire was used and employees were chosen as key informants for the study. The Yamane (1967) simplified formula was used in determining the sample size. A total of (650) respondents were identified and reached in the selected branches and (500) respondents reverted back with full required information corresponding to a response rate of (76.9%). Five questionnaires were excluded due to inconsistent responses and omitted answers. From Table 1, majority of the respondents were males (53%). More than half (51%) of respondents were in the age group 26–35 years. The majority of respondents (37.8%) had 1-5 years working experience in their respective branches.

Table 1: Profile of Respondents

Variables	Frequency (s)	Percentage of totals (%)	Variables	Frequency (s)	Percentage of totals (%)
Gender			Education		
Male	265	53	Junior High	63	12.6
Female	235	47	Senior High	156	31.2
			Diploma	90	18

Variables	Frequency (s)	Percentage of totals (%)	Variables	Frequency (s)	Percentage of totals (%)
Age			HND	84	16.8
18-25	159	31.8	Bachelor's degree	94	18.8
26-35	255	51	Master's degree	13	2.6
36-45	64	12.8			
46-55	22	4.4	Experience		
			Less than one year	126	25.2
Department			1-5 years	189	37.8
Operations/Customer Service	194	38.8	6-10years	93	18.6
Treasury /Forex	113	22.6	11-15years	51	10.2
Risk Management	91	18.2	16-20years	23	4.6
Human Resource	72	14.4	20 years and above	18	3.6
Information Technology	30	6.0			

Measures:

The variables used in this study were assessed using multiple items from different studies in the extant literature. All the items were measured using a 5-point Likert-type scale, where the respondents had to indicate their level of conformity with the different statements (1: strongly disagree to 5: strongly agree).

Training and Development: Singh (2004) and Santos and Stuart (2003) effectiveness of training scale was adopted in measuring training and development. The scale which consists of fifteen items were modified according to the current study. The scale is made up of three items with a reliability of 0.78.

Career Development: Career development was measured by adapting Sturges et al. (2002) scale of organizational support and Denson (2007) career development need survey. The scale which consists of twelve items were modified according to the current study and generated four items with a reliability of 0.82.

Performance Appraisal: Walker et al. (2011) and Singh (2004) scales of performance appraisal was adopted in measuring performance appraisal. The scale which consists of seventeen items were modified according to the current study. The scale is made up of four items with a reliability of 0.79.

Compensation: Compensation was measured by adapting Teseema and Soeters (2013) and Singh (2004) compensation scale. The scale which consists of ten items were modified according to the current study and generated three items with a reliability of 0.74.

Employee Involvement: Amah and Ahiauzu (2013) employee involvement and Denson (2007) Organizations culture survey was adopted in measuring employee involvement. The scale which consists of twelve items were modified according to the current study generated three items with a reliability of 0.84.

Employee competencies: Five dimensions of employee competencies were measured by adapting Hellriegel and Slocum (2011) employee competency scale.

Self-competency: Tafarodi and Swann (1995) self-competence/self-liking scale was adopted in measuring self-competency. The scale which consists of twenty items were modified according to current study generated two items with a reliability of 0.72.

Team competency: Team competency was measured by adapting Eby and Dobbins (1997) teamwork scale. The scale which consists of eight items were modified according to the current study. The scale is made up of four items with a reliability of 0.77.

Change competency: Change competency was measured by adapting Ashford, (1988) change competency scale. The scale which consists of ten items were modified according to the current study. The scale is made up of two items with a reliability of 0.82.

Communication competency: Communication competency was measured by adapting Wierman's (1997) communication competency scale. The scale which consists of 25 items were modified according to current study generated four items with a reliability of 0.82.

Ethical competency: Ethical competence was measured using Rest (1994) competent model" for determining moral behaviour scale and Duckett and Ryden (1994) implementing the moral decision scale. The scale which consists of thirty –five items were modified according to current study. The scale is made up of five items with a reliability of 0.78.

Analytic Approach:

The efficacy of the proposed model and hypotheses were analyzed using the Statistical Package for Social Science (SPSS) 20.0 and the Analysis of Moment Structure (AMOS) 20.0. In the first step, the researcher tested the measurement model. To establish construct validity, the researcher examined: (a) the relationship between the observable indicators and their latent constructs and (b) correlations among sub-dimensions. The second step was to test the overall model.

Handling Common Method Bias:

Bagozzi and Yi (1991) define common method bias as the “variance that is attributable to the measurement method rather than to the construct of interest” (p.426). Since method biases are the main sources of measurement error, they pose a problem in the form of confounding empirical results. Conway and Lance (2010) have suggested four approaches to handle common method bias. The approaches are: a) an argument for why self-reports are appropriate; b) construct validity evidence; c) lack of overlap in items for different constructs; and d) evidence that pro-active steps were taken to mitigate threats of method effects (p. 325). The scales used in the study were adapted from established sources and performed validity tests by running confirmatory factor analysis. The results showed that the established criteria were satisfied. Throughout the process, we assured to protect the respondent anonymity and thus reduced the evaluation apprehension (Conway and Lance, 2010; Podsakoff et al., 2012). These steps ensured that the effect of common method bias was minimal.

RESULTS:

Descriptive Statistics:

The descriptive statistics estimates are provided in Table 2. The results show that each of the constructs is positively and significantly correlated.

Table 2: Correlation Matrix

Items	Mean	SD	1	2	3	4	5	6
1.Training and Development	10.62	3.23	1					
2.Career Development	13.88	4.33	0.404**	1				
3.Performance Appraisal	13.72	3.78	0.266**	0.335**	1			
4.Compensation	9.96	2.84	0.229**	0.106**	0.545**	1		
5.Employee Involvement	9.90	3.45	0.376**	0.658**	0.274**	0.170**	1	
6.Employee Competencies	56.21	15.23	0.451**	0.456**	0.271**	0.240**	0.482**	1

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed).

Measurement Model:

The overall fit of the measurement model as reported in (Table 3) was found to be reasonable. The chi-square/df ratios (3.96) were within suggested threshold (i.e., less than 5.0) indicating a reasonable fit (Wheaton et al., 1977). The root mean square error of approximation (RMSEA) value (0.052) and standardized root mean residual (SRMR) value (0.068) were lower than 0.08, indicating adequate fit (Browne and Cudeck, 1993; Hu and Bentler, 1999). In addition, all other indices (i.e., TLI and CFI estimates) were greater than the recommended 0.90, indicating adequate fit (Bentler, 1990; Kline, 2011).

Table 3: Results of the Measurement and Structural Model Tests

	χ^2	df	χ^2/df	P	RMSEA	SRMR	TLI	CFI
Measurement model	245.883	62	3.96	0.000	0.068	0.055	0.908	0.925
Structural model - Overall model	154.040	52	2.96	0.000	0.053	0.042	0.955	0.973

Note: RMSEA=Root mean square of approximation SRMR=Standardized Root Mean Residual; TLI=Tucker-lewis index; CFI=Comparative fit index; $p < 0.05$.

Reliability and Validity of the Scales:

To study the validity and reliability of the measurement scales used, a confirmatory factor analysis was carried out. To establish convergent validity, the three important indicators were examined; factor loadings

(standardized estimates), average variance extracted (AVE) and composite reliability (CR). The results are depicted in Table 4. Cronbach's alpha values of constructs ranged between 0.72 and 0.84, exceeds the suggested threshold of 0.70 (Nunnally and Bernstein, 1994). Constructs standard estimates ranged between 0.61 and 0.91, exceeding the recommended criterion of 0.60 or higher (Hair et al., 2006), and statistically significant ($p < 0.05$). Constructs average variance extracted ranged between 0.55 and 0.70, which exceeds suggested threshold of 0.50 indicating higher reliability of a construct (Fornell and Larcker, 1981). Constructs composite reliability ranged between 0.76 and 0.90, exceeds the recommended criterion 0.70, indicating consistency adequacy (Fornell and Larcker, 1981; Hair et al., 2006).

Table 4: Confirmatory Factor Analysis
Factor Names, Factor Loadings and Cronbach's alpha

Factor	Items	(λ)	AVE	CR
Training and Development ($\alpha=0.78$)	Adequate and relevant knowledge and skills are acquired through training program	0.847		
	The knowledge and skills associated aids used in the training programs are accessible	0.817	0.64	0.84
	Training programs are conducted for employees in all facet of quality.	0.722		
Career Development ($\alpha=0.82$)	Organization provides coaching to enhance my career	0.801		
	Organization support my individual development strategy	0.683	0.56	0.81
	Organization provide unprejudiced career guidance whenever required.	0.840		
	Management assign task which improves my proficiency	0.642		
Performance Appraisal ($\alpha=0.79$)	Appraisal procedure in the organization is developmental and progressive inclined	0.840		
	Organization provides a written and operational performance appraisal system	0.617		
	Performance are assessed on established objective and measureable outcomes.	0.735	0.55	0.80
	Performance review discussions are conducted with the highest quality and care	0.763		
Compensation ($\alpha=0.74$)	Remuneration and related allowances are commensurate to current market trends.	0.779		
	Work functioning performance is an essential determinant of factor in determining the stimuluses and compensation	0.840	0.65	0.85
	Compensation practice is connected to the organization goals and objectives	0.779		
Employee Involvement ($\alpha=0.84$)	Information is widely shared in this organization	0.679		
	Collaboration and team work across working functions are vigorously emboldened	0.909	0.67	0.86
	The capacity of employees are regarded as an essential determinant of competitive edge	0.858		
Self -competency ($\alpha=0.72$)	I deal appropriately with challenges	0.896		
	Am competent	0.652	0.61	0.76
Team competency ($\alpha=0.77$)	I can work very effectively in a group setting	0.722		
	I can contribute valuable insight to a team project	0.669		
	I can easily facilitate communication between people	0.711	0.56	0.84
	I am able to resolve conflicts between individuals effectively	0.880		
Change competency ($\alpha=0.82$)	I believe i perform well in job situations following restructuring	0.789		
	Provided training i can perform well following the change	0.884	0.70	0.83

Factor	Items	(λ)	AVE	CR
Communication competency ($\alpha=0.82$)	I am a good listener	0.615		
	I generally know what type of behaviour is appropriate in any given situation	0.819	0.56	0.83
	I generally know how others feel	0.701		
	I say the right thing at the right time	0.837		
Ethical competency ($\alpha=0.78$)	I have the strength of will not to be defeated by direct problem or opposition	0.629		
	I have the courage to face problems or opposition directly	0.610		
	I make decision based on reliable evidence	0.984	0.64	0.90
	I make decision with priority on the thoughts and values of the organization	0.974		
	I make decision in consideration of what the organization places importance on	0.721		

Notes: AVE represents average variance extracted; CR represents composite reliability. All Factor loadings are significant at $p < 0.05$

Test of Hypotheses:

The proposed hypotheses were tested using structural equation modeling (SEM). The results of the structural model test depicted in Table 3, indicate a good fit to the data. The chi-square/df ratios of (2.96) were within the suggested threshold (i.e., ≥ 3.0) indicating a good fit (Carmines and McIver, 1981; Hoyle 2011). The root mean square error of approximation (RMSEA) value of (0.053) and standardized root mean residual (SRMR) value (0.042) were lower than the suggested thresholds (i.e., less than 0.60 and 0.05) indicating a good fit (Bentler and Bonett, 1980; Hu and Bentler, 1999). In addition, all other indices (i.e., TLI and CFI estimates) were greater than the recommended cut off value of (0.95) indicating a good fit (Hu and Bentler, 1999; Kline, 2010). Thus, the overall structural model reflects desirable psychometric properties. Table 5, which report the results of the hypotheses show that, three out of the five hypotheses were supported and accepted in data set.

Table 5. Inferences drawn on Hypotheses

Hypothesis	Beta coefficient	p value	Result
H1: Training and development has a significant impact on employee competencies.	0.400	$p < 0.05$	Accepted
H2: Career development has a significant impact on employee competencies.	0.092	$p > 0.05$	Accepted
H3: Performance appraisal has a significant impact on employee competencies.	-0.069	$p > 0.05$	Rejected
H4: Compensation has a significant impact on employee competencies.	-0.031	$p < 0.05$	Rejected
H5: Employee Involvement has a significant impact on employee competencies.	0.121	$p < 0.05$	Accepted

DISCUSSION:

This study reveals important empirical results that make a significant contribution to clarifying the question of the impact HRD practices on employee competencies. Results confirmed hypothesis 1 by indicating that that training and development had a significantly impact on employee competencies. These data support the suppositions of the theory of human capital initially developed by Becker (1964,1993) who regarded training as a form of investment that leads to higher individual productivity. Hypothesis 2 confirms a significant impact of career development on employee competencies. This results parallels the findings of McGraw (2014) who contend that, the efficient execution of career development procedures considerably improves the proficiencies of a workforce as well as enhances personal functioning. Hypothesis 3 reports that performance appraisal did not make any significant impact on employee competencies. The results of this hypothesis are not consistent

with the finding of Meyer and Kirsten (2005) who contend that, managing performance of employees forms an integral part of an organization and reflects how they manage their human capital. Hypothesis 4 had similar results where compensation did not make any significant impact on employee competencies. This result is not consistent with the findings of Sola and Ajayi (2013) who postulate that, compensation was a primary motivating factor for employees to continuously strive for greater heights. Finally, results for H5 indicate that employee involvement have a significant impact on employee competencies. This result is consistent with the findings and arguments of Rossler and Koelling (1993) who argue that, employee involvement builds individual competence, control and obligation leading to a concerted foresight, values and aspirations.

Theoretical Implications:

The finding of this study support the contention in literature on the subject of enhancement of employee competencies suggested by Levenson (2005) and Palan (2005) about which further research is needed in the banking industry. HRD plays an important role in all sectors of the economy; however, it is especially important in banking industry where their significance is even greater. These institutions are characterized as being intensive and much more extensive direct contact exist between employees and customers at the service interface (Delery and Doty, 1996). The finding of this study addresses the recommendation to further investigate the relationship between human resource development practices and employee competencies based on the premise that investment in human resource development (HRD) are important strategic mechanisms that stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes, which increase productivity and performance (Clardy, 2008). Relatively few studies exist on human resource development in the banking setting (Priyadarshini, 2005; Srimannarayana, 2007). Similarly, relatively few studies existed on employee competencies in this organizations (Palan, 2005; Rose et al., 2006). The finding of the study also assists in clarifying the ambiguity in literature in relation to human resource development practices and employee competencies (Clardy, 2008; Macky and Boxall, 2007; Nilsson and Ellstrom, 2012). The findings of the study indicate that, human resource development practices influence employee competencies through training and development interventions which is the systematic acquisition of skills, rules, concepts, or attitudes that result in improved performance (Goldstein, 1986, p.837), career development interventions which is becoming aware of self, opportunities, constraints, choices and consequences, identifying career-related goals and programming of work, education, and related development experience (Storey, 1978) and employee involvement interventions, which is the degree to which employees share information, knowledge, rewards and power throughout the organization (Randolph, 2000; Vroom and Jago, 1988) has a significant influence on employee competencies. These findings support the contention of Appiah (2010) and Harrison (2000) who argue that, training generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behaviour. Similarly, these findings support the contention of several other authors who argue that, a well-designed career development system enables organizations to tap their wealth of in house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals to the needs of the organizations (Kapel and Shepherd, 2004; Kaye, 2005). Furthermore, these findings support the arguments of Chu et al. (2005) who contend that, employee involvement helps achieve better implementation of customer focus, quality and continuous improvements. The findings of this study emphasizes the relevance of human resource development practices as a valuable resource in enhancing the competencies of employees in the banking industry. Distinctively, this current study adduces evidence empirically that, human resource development practices impacts the competencies of employees of the GCB bank limited.

Managerial Implications:

The results of this study leads to the consideration of a series of implications for the banking industry. It is recommended for the board and management of GCB Bank Ltd policy makers, stakeholders and management of hotels to embolden the espousing of suitable and well-articulated HRD practices in banking industry. These human resource development practices the study revealed are fundamental determinates for workers to develop competencies which considerably improves organizational performance (Kehoe and Wright, 2013). Along the same lines, Shih et al. (2006) assert that, these practices help improve the skills and abilities of employees in generating returns through increased productivity and business performance. Management of the bank should ensure that employees are sponsored to training programs on the basis of relevant training needs. Management of the bank should also ensure, training programs are conducted for employees in all facets of quality as well as see to it that, the activities of the training program meets the needs of the employees. Moreover, management of the banks must support career development in the organization since it provides positive influence on the

enhancement of the essential competencies for an establishment. Also management should ensure employee career development plans by assisting employees on how to draw up action plans regarding their career development. Furthermore, management of the banks should ensure that, collaboration and team work across working functions are vigorously emboldened in the organization. Also management should see to it that information is widely shared in the organization.

LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDY:

There are certain limitations that offer important avenues for future research. Data was collected using a cross-sectional research design, however, the adoption of a longitudinal research design would have assisted in testing the casual relationship among variables. Moreover, quantitative research design was used in analyzing data collected through structured questionnaires. A profound qualitative data is encouraged in future studies. The adoption of both qualitative and quantitative approaches would have provided a more in-depth as well as valuable clarifications. Furthermore, the data used in this study are extensively subjective opinions of employees. Adoption of objective measures is encouraged in future studies. Another limitation is the generalizability of the study. The results of this study cannot be generalized because they come from a sample of banks in a specific context. We should also be careful when applying the results obtained to other sectors, given the specific characteristics of the banking industry. Five human resource development practices were chosen for this study, however, there are other human resource development practices such as employee welfare and quality of life, employee counselling and coaching, role analysis, employment security and promotion. Similarly, five employee competencies were examined, nonetheless, there are others like cultural and diversity competencies. The incorporation of these practices and competencies are encourage in future studies.

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