ASSESSMENT OF HUMAN CAPACITY UTILIZATION ON ORGANIZATION PERFORMANCE OF MICROFINANCE BANKS IN KWARA STATE, NIGERIA

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Abstract
The challenging environmental dynamics, had contributed considerably to identification of human capacity utilization (person-post fit) relevance in the assessment of organization performance. This study explores Human Capacity Utilization and Performance of Micro Finance Banks across the three senatorial constituencies, of Kwara State. Using descriptive and a cross sectional survey, population of study made up of 36 Microfinance Banks,, purposely selected with not less than five (5) years operational existence from the three (3) divisions of Kwara State. Staffs focus comprising of management staff, administrative and technical staff. The sample size is 108 respondents, on an average of three (3) persons from .a Microfinance Banks gotten from Researchers' Advisers Table. Simple Random Sampling was adopted to administer the copies of 5- options Likert Scale Questionnaire to collect data; Multiple Regression was used to test the hypotheses. Findings shows that, from hypothesis one and two, alternate hypothesis was accepted which states that there is significant effect of knowledge accessibility on organizational efficiency, and that, there is significant influence of workforce optimization on organizational profitability. The study concludes that microfinance banks need improve their services delivery as staffs are not fully trained, thus limiting competencies and competitiveness ability needed to meet the bank's target. The study recommends that the need to remain afloat and relevant to purpose of doing business requires strong capacity development support and knowledge of innovation ideas just like the new generational banks; hence the Nigerian Microfinance banks need to have a well-defined organizational job structure, bank job responsibilities to enhance human resource utilization.
Keywords: *Human capacity, Knowledge accessibility, Workforce optimization, and Organizational performance.*

Introduction

The emergence of capacity development has consistently triggers focus on human capital as most relevance resource, whether in this contemporary era or before, as the core of intellectual capital that drives business performance and productivity in an organization. Amit and Shoemaker (1993) posit that,Formal and informal learning increases knowledge in the provision of skilled employees and subversively develops organizational activities andimitates appropriable unique human capacity development as an assets.Managing people based on their human capacity will allow an organization to optimize knowledge creation, whether of new product, ideas and services or of improvements in business processes (Choudhury & Mishra, 2010).Human capacity from another perspective is a conglomerate of required

factors like intelligence, education, work habits, and competencies abilities that culminate into employeessurvival and adaption to the changing of organization productivity levels (Ushie, 2012).

Person-post fit(human resource utilization) is an integrated effort to manage and develop human capabilities to achieve significantly high level of performance, with set practices of principles that are focused on organizational needs to provide specific competencies (Zhao,2016). It is an approach to employee staffing that perceives people as assets (human capital) whose current value can be measured and whose future value can be enhanced through investment. According to Gartner (2015), it is a "set of practices related to people resource management," specifically in the categories of workforce acquisition, management and optimization. It is possible as a manager to do things right, lay brilliant plans, draw clear organization charts, set up world class assembly lines and use sophisticated accounting controls, but still fails by hiring the wrong people with low professional capabilities or by not having initiative motivation.

Nigerian banking industry have not been utilizing human resource planning practices adequately to identify the number of employees the company requires in terms of high quality and quantity. This have hindered the ongoing process of regular job design and structured planning. Nigerian microfinance banks are obsolete in-term of adequate non-human resources to function optimally. And significantly, equally challenge with in-adequate human resource to achieve high performance, as an asset of an organization. Therefore, it is against this background that this study intends to make an in-depth and critical analysis of human resourceutilization and performance of micro finance banks in Nigeria.

Statement of the Problem

Human beings suffer from diminished validity, creativity and flexibility, staff can be assisted to remain or once again become vibrant, vital, productive and pertinent through staff renewal activity, the declining rate of mobility and high tenure density coupled with less hiring new blood increases the heterogeneity of staff in the system. The micro finance bank employees relatively are incapacitated with quality education and innovation to enhance effective and efficient job performance, precipitated because of inability to improved, acquired and develop their knowledge and skills, towards a greater height in building their career. Also, is the issue of aging staff and explosion of knowledge being noted.

The extent of micro finance's collaborations and current efforts with ability to share knowledge and ideas across the banking industry is very poor, as there exists variability in organizations objective. The high rate of employee turnover and low employee retention also attributed to poor optimization and tremendouslow profits

in Nigerian microfinance banks (Onyeama, 2014). The cases of impartiality in recruitment and selection process, poor remuneration, biasness in performance appraisal review, management's little or zero interest in the progression of staff, rigid work arrangement and non-involvement of employees in the decision-making process further confirms the unhealthy practices of human capital utilization in most Nigerian microfinance banks. This study therefore examined the process of improving knowledge accessibility and workforce optimization on organization efficiency and profitability of micro finance banks in Nigeria.

The study general focusis to assess the utilization of human capacity development and organizationPerformance of Micro Finance Banks in Kwara State. The specific objectives are: -

I. To explore the effect of knowledge accessibility on organizational efficiency of Microfinance Banks Kwara State;
II. To investigate the influence of workforce optimization on the organizational profitability of Microfinance Banks in Kwara State.

H_{O1} There is no significant impact of knowledge accessibility on organizational efficiency.
H_{O2} There is no significant influence of work optimization on organizational profitability.

Literature Review

Conceptual review

Human Capacity Utilization.

The concept of human capital utilization has recently attracted attention from many researchers. Human capital utilization is not only concern of people but it is the harnessing of the totality of the people skills, energies, talent, capability, social characteristics, and belief to achieve organization's objectives and simultaneously making the people to be part and parcel of in fulfilling their life goals. Thus, it is opined a proper focus of human capital management in order to achieve high performance standard (Lunenburg, 2012). The resultant of human capital efficiency is precipitated by the result from the capacity development, to transmute to greater organization efficiency and performance and quality person-post fit. (Liu, Gao &Yang, 2021).

Concept of organizational success and it failure relates to the job market. An organization that refuses to engage in human resource planning in order to be proactive may find itself with a number of unfilled positions. Choudhury and Nayak (2011) affirmed that people are the greatest asset, providing the intellectual capital that drives differentiation and value added. It practices are set of technique use by organization to manage human resources through facilitating the development of

specific competencies, produce complex social relation and generate organization knowledge to sustain competitive advantage.

Knowledge Accessibility

Arising from the disappearance of distance barrier in modern world, availability of information is crucial on how more or less organization becomes accessible to retrieved and/or the number of contexts in which it can be retrieved. To accomplish this, firms will need to invest resources to ensure that employees have the knowledge, skills, and competencies they need to work effectively in a rapidly changing destructive- volatile, uncertain, complex, ambiguous and distress (D-VUCAD) environment. Koednok (2011) posits it as an economic term used to describe the skills and knowledge that individuals draw upon to generate outputs of value, such as innovation and productivity in job performance. Recently, researchers in various studies of related areas identified that, Managers frequently risk bringing on board individuals that lack the requisite qualification(s), knowledge, talents, abilities, and skills without actually having a blueprint to develop and enhance these human resources for the task and duties ahead.

Workforce Optimization

Workforce Optimization (WFO) is a business strategy that integrates contact center technologies for customer experience to promote operational efficiency. The strategy details automating processes, data visibility, compliance to laws and regulations and solving business problems related to staff. A salient feature and benefit of this method is that, it improves workforce management and agent performance. Forecasting manpower demand involves the estimation of the number and type of human resource required at different organizational levels and at different units in an organization (Pradeesh, 2011). Workforce optimization uses all aspects of the complete workforce management life-cycle and provides key insights into how its workforce is performing, with a focus on customer experience. Workforce optimization includes automating entire processes, making key data more visible to support better decision-making, ensuring compliance on relevant legislation and solving business problems related to staff. It is used by contact centers to make convenient communication with customers, such as text messaging support.

Employee Efficiency

Employees doing things right is tantamount to better reward and acceptance in an organization. The quest to utilize human capital utilization for success, require effective performance management system that is imperative for an organization. The term "employee efficiency" signifies individual's work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around (Hellriegel, Jackson & Karakas, 2010). Introducing personality tests and group discussion for

measuring a prospective candidate's ability for contextual performance along with the efficiency tests (ability and experience tests) to measure their task performance is proposed.

Organizational Profitability

Human capital utilization encourages the survival, growth and profitability of any organization, especially banking. through learning and personal development. It is essential for the organization as it ensures quality; customer satisfaction, business succession, improves productivity, and profitability. Organizational performance has mostly been conceptualized on the basis of financial measures, especially establishing relationship between employees' actual against expected performance. However, some scholars have urged for a wider performance construct that incorporate aspects of non-financial measures such as, effectiveness, efficiency, quality, and company image, (Waiganjo, Mukulu & Kahiri, 2012).

Micro Finance Banks in Nigeria

Microfinance relatively is an establishment saddled with the provision of wide range financial services of savings, loans, transfers, remittances and insurance to low level income earners and Nino, small, medium enterprises (nSMEs). The strong recognition to developed and strengthened economy growth and sustainable development through informed policy reforms necessitated the emergence of Microfinance Banks in Nigeria, in the year 2005, and as a replacement to the collapsed Community Banks. Microfinance Banks resources are valuable, unique and difficult to imitate, they provide the basis for firm's competitive advantages, especially in the face of commercial Banks failure to rightly cater for the general public banking needs due to their size of operations.Microfinance banks exist for purpose and are deliberate arrangement of human and other resources with the aim of delivering needs, satisfying services and products as effectively and efficiently as possible (alleviate poverty of the poor, who are generally un-served of financial service). Microfinance Banks' strengths and weaknesses in human capital management can be assessed by monitoring performance of person-post fit, improvement or declines in organizations performance are tied directly to improvements or decline in human capital practices.

Theoretical Review

Human Capital Theory

The theory of human capital is rooted the field of macroeconomic development theory (Schultz, 1993). Becker's (1993) classic book, human capital: A theoretical and empirical analysis with special reference to education, illustrates the domain.

Becker argues that there are different kinds of capitals that includes schooling, a computer training course, expenditure on medical care. And in fact, lectures on the virtues of punctuality and honesty are capital too. In the true sense, they improve health, raise earnings, or add to a person's appreciation of literature over a lifetime. Consequently, it is fully in keeping with the capital concept as traditionally defined to say that expenditures on education, training, and medical care, etc., are investment in capital. These are not simply costing but investment with valuable returns that can be calculated. General-purpose human capital is knowledge gained through education and training in areas of values to considers education and training to be the most important investment in human capital, (William, Swee-Lim, & Cesar, 2005).

Empirical Review

Ernest and Cecilia (2018) examined a study titled Impact of Human Capital Management Practices on Employee Retention and Performance in Nigerian Insurance Industry. This study presents an empirical investigation of the effect of Human Resource Management Practices on Employee Retention and Performance in Nigerian Insurance Industry. The study interest was geared towards the identification of need to solve the problem of high employee turnover in Nigerian Insurance Industry. The study findings confirmed that Human capital practices have a positive and significant effect on employee performance. While the study strongly recommends that Government through Nigerian Insurance Commission(NAICOM) should help check the high handedness of some insurance firms on their employees. Some of the insurance firms fail to implement Nigerian labour laws and employee work benefits.

Tende and Alagah (2017) analyzed a study titled Influence of Human Capital Management On Organizational Performance of Fast Food Companies in Port Harcourt, Nigeria. Attempts to enhance the capabilities of organizations to serve its intended purpose are tied to several distinguishing attributes of prospective and existing manpower available to it. This study seeks to identify the influence of human resource planning (HRP) on organizational performance (OP) of fast food companies in Port Harcourt. Eighty-two (82) copies of the survey instrument was administered to the managers of the ten (10) fast food companies under review in Port Harcourt nonetheless, only sixty-three (63) copies returned and were analyzed. It was recommended that: Organizations should through human resource planning policies introduce and institutionalize effective human resource plans to proactively forecast the actual numerical strength of manpower needs of the organization if the intension is to increase productivity and organizational performance.

Akhtar,(2011) in a study titled,Human capital utilization through effectiveHRM practices. An acknowledgement was made to the serious challenges of HRM and

thus identified Leadership as a strong player for effective employee management.A typology proposition of employment mode based on the leadership style fit was examined in line with different employee groups. The findings show that, leadership styles must aligned with the organization goals as well as the psychological needs that differs in every formal organizations.

Gaps in Literature

Reviewed literature shows that the role of human capital in increasing organizational performance is very important. It is the key element in improving productivity, performance as well as competitiveness. Literature also reveals that human capital utilization have not been measured by using different methodologies. But scholars from across the disciplines have not been able to have a universal frame work for the measurement of human capital utilization to ensure effective micro finance banks' performance. This study covered the gaps by investigating knowledge accessibility and workforce optimization on employee efficiency and organizational profitability of micro finance banks in Kwara State.

Methodology

The study adopted a cross sectional survey, this validates the accuracy of profiling a phenomenon. This shows a clear procedures or state and it is used to give a strong representation of specific human capital utilization on performance of microfinance banks in Nigeria.

This study explores Capacity development Utilization and Performance of Micro Finance Banks across the three senatorial constituencies, namely South, North and Central divisions of Kwara State. Using descriptive and a cross sectional survey, population of study is made up of 36 Microfinance Banks, with 12 each purposely selected of not less than five (5) years operational existence from the three (3) divisions of Kwara State. Staffs focus comprising of managers, management staff, administrative and technical staff. The sample size is 108 respondents, on an average of three (3) persons from .a Microfinance Banks gotten from Researchers' Advisers Table. Simple Random Sampling was adopted to administer the copies of 5- options Likert Scale Questionnaire as instrument to collect data; Multiple Regression was used to test the hypotheses.

Test of Hypotheses

H_{O1} There is no significant impact of knowledge accessibility on Organizational efficiency.

Table 1
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.695	1.208		6.371	.000
	Job training	.606	.348	.212	1.744	.085
	Organizational change	.206	.367	.067	.563	.575
	Personal growth and development	.384	.277	.151	1.386	.069
	Job relevance	.793	.333	.275	2.379	.020

a. Dependent Variable: Total Employee Efficiency
Source: Field Survey, 2023

Regression coefficients Table 1 shows the model coefficient (that is, the intercept and the slope) which reveals the effect of start-up initiatives on the probability of increasing business profitability. The result shows independent variable knowledge accessibility (job training, personal growth and development and job relevance) have a positive effect on the dependent variable employee efficiency. This is shown by their probability value (0.085, 0.069 and 0.020) being less than the chosen 10% significance level (0.10). However, organizational change has a negative effect on employee efficiency, this is shown by its p-value 0.575 which is greater than 0.10. This implies that job training, personal growth and development and job relevance influence employee efficiency. So null hypothesis was rejected and alternate hypothesis is accepted which states that there is significant effect of knowledge accessibility on employee efficiency.

H_{O2} There is no significant influence of work optimization on organizational profitability.

Table 2
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.138	1.632		5.599	.000
	Safety measures	.014	.479	.005	.030	.076
	Financial compensation	.557	.470	.157	1.185	.039
	Supporting innovation	.275	.419	.092	.656	.014
	Organizational job structure	.325	.491	.094	.662	.010

a. Dependent Variable: Total Profitability
Source: Field Survey, 2023

Table 2 Regression Coefficients, tests of hypothesis two. The results shows that work optimization (safety measures, financial compensation, supporting innovation and organizational job structure) have positive effects on organizational profitability. This is shown by their probability value (0.076, 0.039, 0.014 and 0.010) which is less than the chosen 10% significance level. This means that impact of safety measures; financial compensation, supporting innovation and organizational job structure have positive effects on organizational profitability. This implies that null hypothesis was rejected and alternate hypothesis was accepted. Thus, there is significant influence of workforce optimization on organizational profitability.

Discussion of Findings

Findings from the first hypothesis show that null hypothesis was rejected; this implies that there is a significant effect of knowledge accessibility on employee efficiency. Overall, this also shows that job training, personal growth and development and job relevance have a positive effect on employee efficiency. This is in-line with the findings of Pradeesh, (2011), which states that forecasting manpower demand involves the estimation of the number and type of human resource required at different levels in different departments in an organization.However, organizational change has a negative effect on employee efficiency.

Hypothesis three states that there is no significant influence of workforce optimization on organizational profitability, which was accepted from the findings. This implies that safety measures, financial compensation, supporting innovation and organizational job structure have positive effects on profitability. This is the same with the findings of Lunenburg, (2012), which states that there must be a proper of human capital management in order to achieve high performance standard. This implies that microfinance banks need to initiate more safety measures for his staff, and implement more financial compensations for customers.

Conclusion

From the results as were highlighted in the formulated hypotheses in this study. it can be concluded that knowledge accessibility and workforce optimization have a significant impact on both organizational efficiency and profitability. Thus, Microfinance banks in Kwara State need to improve on their services delivery to boost customers' satisfaction, enhance quality of microfinance banks' staff, sothat those not fully trained can become one, and thus utilized to meet the bank's target.

Recommendations

In line with the findings, Management need to be a little bit more tolerant on employees, particularly on assigned individual responsibilities and (or) task not being too demanding. The Micro financebanks need to link more of job

responsibilities to training programmes for positive synergy. Also, the needs to support more innovation ideas just like the new generational banks to have a well-defined organizational job structure to propel effectiveness and efficiency through incentives and safety measures award and in no isolation to job responsibilities to enhance the human capacity planning.

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