

THE ROLE OF HR DEPARTMENT IN THE ORGANIZATION- A CASE STUDY OF ASN FINANCIAL SERVICES LIMITED, TEMA

S. Agarwal¹, D. Oppong^{1,2}, T. Adjirackor^{1,3,4}, E.K. Kugbega¹, W. Gagakuma⁵, K.V. Sivaramakrishnan¹, M. Agarwal¹,

1. Data Link University College, P.O. Box 2481, Tema, Ghana
 2. Central University, P.O. Box 2305, Tema, Ghana
 3. Ghana Institute of Management and Business Administration, Accra, Ghana
 4. Nuclear Regulatory Authority, P. O. Box AE 50, Kwabenya, Accra, Ghana
 5. Dominion University College, PMB CO 69 Cantonments, Accra, Ghana
- * E-mail of the corresponding author: theophilov1@yahoo.com

Abstract

The study examined the role of human resource department in organization, a case of ASN financial services limited. The issues studied included effectiveness of HR departments in contributing to the goals of organizations, evaluating the contributions of HR departments to the development of ASN financial services limited, the challenges faced by the HR department of ASN financial services in carrying out its duties. Both primary and secondary data were used in conducting the research. The population of the study included the entire senior staff of ASN financial services. A survey method was the statistical techniques used for the study and a purposive sampling technique was used in selecting 37 staff for the study. Majority of the respondents agreed that the HR department plays an essential role in the recruitment of staff, managing employee performance, analyzing the training needs of staff and organizing training and development programs for them and having a reward policy among others.

Keywords: Organization, Financial Services, Employee Performance. Training and Development.

1.1 Background to the Study

It is the belief of many that the human resource department in the organization is only a for recruitment purposes and nothing else. There are many different roles and responsibilities that are performed by the HR department depending on the size of the organization, the demographic profile of the employees, the industry of the business, values and corporate culture prevalent within, and the priorities of top management, and in the case of a small business, the priorities of its owner. (Swanson 1995)

Research suggests that the human aspect of resources within an organization contributes approximately eighty percent of the organization's value (Arthur, 1994). This implies that if people are not managed properly, the organization faces a serious chance of falling apart. The Human Resource Department's main objective is to bring out the best in the employees and thus contribute to the success of the Company. These roles come with certain positive and negative aspects. However, the negative aspects can be minimized by improvements to their roles and functions.

The Human Resource Department deals with management of people within the organization. There are a number of responsibilities that come with this title. First of all, the Department is responsible for hiring members of staff; this will involve attracting employees, keeping them in their positions and ensuring that they perform to expectation. Besides, the Human Resource Department also spell out and sets day to day goals for the organization. It is responsible for the organization of people in the and plans for future projects and objectives involving people in the Company. (Handy, 1999)

The HR in small organizations may take full responsibility for all human resource activities, while in others, it may share the roles and responsibilities of other departments such as the finance or administration. In other small organizations, it acts as an internal consultant and makes all the HR-related decisions in support of strategic business directions. According to Swanson (1995), in the recent years it is evident that more and more organizations are looking at HR departments as their strategic partners in quality management, corporate

planning, business operations, and business profitability. HR management now takes the forefront in strategic planning and expansions in ways that enhance the image and value of the organization.

One indispensable role of HR department is to conduct needs assessments for the organization's workforce to determine the type of skills training and employee development programmes necessary for improving skills and qualifications of the workforce. According to Greer (1995), businesses in the beginning or growth phases can benefit from identifying training needs for existing staff. It is much less expensive than the cost to hire additional staff or more qualified candidates. In addition, it is a strategy that also can reduce turnover and improve employee retention.

The HR practices in the organizations have undergone substantial change and redefinition over the years. It is interesting to note that many critics on HR issues have been critical of its traditional function of only recruiting and attending to the needs of employees but HR department play far more essential roles in organizations than recruiting and attending to the needs of employees. (Rothwell, 1994)

Unfortunately, in many organizations, HR services are not providing value; instead they are simply attending to minor administrative tasks. However, according to Huselid (2000), the HR department can be replaced with new technology or outsourced to a vendor who can provide higher-quality services at a lower cost, which is the emerging trend in doing business currently. Although this seems to be a doubtful view, it simply demonstrates that the HR department in the organization needs to ensure that their programmes, policies and practices create value for the organization.

1.2 Problem statement

It has been observed that HR departments play an important role in any establishment or organization. The success of organizations in this modern business environment depends on the caliber of the manpower that steers the day to day affairs of the organization (Huselid, 1995). The process of recruiting and selecting all categories of employees into both private and public companies has been a matter of concern to many. Even though it is the wish of every organization to attract the best human resource in order to channel their collective effort into excellent performances, unconventional selection practices can mar any business plan. One such department that comes to mind in this situation is the HR department; specifically, the HR department of ASN financial services limited in Tema.

Though an important part of every organization, its activities has come under scrutiny as some quarters are of the opinion that the department is failing to recruit the right caliber of people while at the same time those recruited are not adding value to the goals of organizations involved, more so some perceived the HR department as incompetent, lacks business sense and knowledge of the business operations of today. It might be that the contributions of the HR department of ASN financial services limited in Tema over the years have not been fully recognized hence the question usually posed by some employees: "Does this too concern HR, is this an HR duty. We are fed up with these boys in the HR office. In the light of this, the study will assess the role of the HR department in the organization: a case of ASN financial services, Tema.

1.3 Objective of the Study

The objective of the study is to examine the role of HR department on organizations, a case of ASN financial services limited. The specific objectives are:

1. To identify the role of HR departments in contributing to the goals of organizations.
2. To investigate how human resource is managed by the HR department at ASN financial services.
3. To examine the contribution of HR department to the development of ASN financial services.
4. To examine the challenges faced by the HR department in carrying out its duties

1.4 Research Questions

The study will seek to address the following questions:

1. How effective is HR departments in contributing to the goals of organizations?
2. What are the contributions of HR departments to the development of ASN financial services?
3. How are human resources managed by the HR department of ASN financial services?
4. What are the challenges faced by the HR department of ASN financial services in carrying out its duties?

1.5 Significance of the Study

The study will help ASN financial services and other organizations to adopt measures to resource their HR department thereby making it an integral part of the organization.

The study will add to the existing literature and also help to position the HR department as a vital part of organization. Furthermore, the study will serve as a spring board to those who want to delve much into human resource management and practice it in an organization. Finally, this will give fore knowledge to management of ASN financial services as they embark on human resource planning and development.

2.0 RESEARCH METHODOLOGY

2.1 Research Design

A case study design approach was adopted for this research to examine the role of HR department in organizations, a case ASN Financial Services. The case study organization chosen provided the role of HR department in organizations. The views of employees with regards to the role played by HR department of ASN Financial Services were also gathered. With the survey design, observations were made, empirical data was collected and conclusions drawn.

2.2 Study Population

The population for the study comprised all the entire senior staff members of the human resource department and other selected departments, constituting 57 employees of the ASN Financial Services. These consist of HR Department (8) employees; Accounts Department (15) employees; Administration (9); Front Office (6) employees; Security (4) employees. The Financial institution operates daily with close to 15 temporary staff. However, this group of people did not feature in the study.

2.3 Sample Size

A total sample size of 37 employees was chosen in order to allow for far representation and increased authenticity of generalization to be made. Data was collected from only permanent staff from the HR department, Accounts department and other employees of ASN Financial Services.

2.4 Sampling Techniques

Two sample sets were used with focus on attaining the views of the HR department on the commitment of management towards the role of HR department, while the other focused on the impact of the HR department at ASN Financial Services. The purposive non-probabilistic sampling technique was adopted in the selection of respondent.

2.5 Data Analysis

Qualitative approach to data analysis were used. The qualitative data was edited, encoded and finally analyzed. The data was organized into tables and figures based on the questionnaires given to respondents.

The Statistical Program for Social Sciences (SPSS) was also used to analyze the pre-coded questions. The result was subsequently computed into percentages. Percentage (%) values, which were not round figures, were approximated to the nearest whole numbers. Diagrammatic representations of the statistical summaries of the result were presented in the form of frequency tables. Open-ended questions were analyzed by listing all the vital response given by the respondents and those relevant to the research were considered.

3.0 RESULTS AND DISCUSSION

3.1 Demographic Data

Table 1: Gender Distribution

Gender	Frequency	Percentage %
Males	21	57
Females	16	43
Total	37	100

Table 1 show that 21 respondents representing 57% of the total number of participants were males while 16 representing 43% of the total number were females. This clearly shows that there were more male participants than female in this survey and it may be as a result of the sampling technique used in selecting respondents or the organization having more male employees than females.

Years of Service

Table 2: Number of Years Spent

Years	Number of employees
Below 3 years	16
4-7 years	12
8-11 years	9

Source: field survey, 2015

Table 2 above shows that majority of respondents thus 16 had worked with ASN financial services below 3 years, 12 had worked between 4-7 years while 9 had worked at ASN financial services between 8-11 years. Thus majority of the respondents have reasonably some number of experience in the company.

Research Questions 1: How effective is HR the departments in contributing to the goals of Organization?

This was to find out from respondents the effectiveness of the HR Department at ASN financial services in contributing to the goals of the organization.

Employment of Quality Staff

This question was asked to find out from respondents both from the HR department and other staff, if the HR Department has been effective in employing quality staff.

Out of 8 respondents from the HR department, 4 strongly agreed with the statement that the HR department has contributed in employing quality staff to help the organization achieve its goals, 3 respondents agreed with the statement while 1 respondent was not sure whether the department had contributed in employing the best or quality staff to help the organization achieve its goals.

On the part of the staff, the majority of 15 from 29 respondents agreed with the statement, 6 respondents were not sure of the statement; meanwhile 5 respondents disagreed with the statement that the HR Department had contributed to the goals of the organization by employing quality staff while 3 respondents strongly disagreed with the statement. Table 3 illustrates further.

Table 3: Employment of Quality Staff/Personnel

HR department	Staff	Response
4	-	Strongly agree
3	15	Agree
1	6	Not sure
-	5	disagreed
-	3	Strongly disagreed

Source: field survey, 2015

From table 3, it is realized that the majority of respondents agreed with the statement that the Human Resource Department had contributed to the goals of the organization by employing quality staff or personnel.

Increase in the Performance of Staff and Organization

This section was to find out from respondents whether the HR Department of ASN financial services has helped increase the performance of staff and the organization in general in contributing to the goals of the organization.

Out of twenty (8) respondents from the HR Department, two (2) strongly agreed with the statement, nine (3) agreed with the statement, six (2) respondents were not sure while three (1) respondents disagreed with the statement that the HR Department has helped increase the performance of staff and the organization.

Out of 29 staff respondents, 5 agreed with the statement, 14 were not sure of the statement, while 10 respondents disagreed with the statement. Table 3 further explains.

Table 4: Increase in the Performance of Staff and Organization

HR department	Staff	Response
2	-	Strongly agree
3	5	Agree
2	14	Not sure
1	10	disagreed

Source: field survey, 2015

Table 4 reveals that responses from respondents showed a mixed reaction as 8 respondents agreed with the statement, 16 respondents were not sure of the statement while 11 respondents disagreed with the statement.

Research Question 2: What are the contributions of HR departments to the development of ASN financial services?

This section was to find out from respondents the contribution of the HR Department to the development of ASN financial services.

Recruitment and Selection

This was to find out from respondents whether HR Department contributes to the development of ASN financial services through recruitment and selection of employees.

Out of 8 respondents, 3 respondents strongly agreed with the statement that the HR department was in charge of recruiting and selection, the majority of 5 respondents agreed with the statement.

Training and Development

This was to find out from respondents, whether training and development by HR department leads to the development of organizations and for that matter ASN financial services.

Out of 8 respondents, 2 respondents forming 25% of the population strongly agreed with the statement while 6 respondents constituting 75% of the population agreed with the statement that training and development contributes to the development of organizations. Table 4 explains further.

Table 5: Does training and development by HR Department leads to the development of organizations?

Response	Frequency	Percentage %
Strongly Agree	2	25
Agree	6	75
Total	20	100

Source: field survey, 2015

Research Question 3: How are human resources managed by the HR department of ASN financial services?

This was to find out from both respondents how staffs are managed by the HR Department.

Training and Development

This was to find out from staff of HR Department if employees are managed through training and development.

Out of 8 respondents, 3 strongly agreed with the statement that staff is managed through training and development, 4 respondents agreed with the statement while 1 respondent was not sure of the statement. Table 5 illustrates further.

Table 6: Training and Development

Number of employees managed through training and development	Percentage %	Response
3	37.5	Strongly agree
4	50	Agree
1	12.5	Not sure

Source: field survey, 2015

Table 6 therefore implies that the majority of respondents agreed that training and development was one-way human resource is managed by the HR Department.

Performance Appraisal

This was to find out from respondents if performance appraisal was one way of managing human resource.

Out of 8 respondents, 2 strongly agreed with the statement while 6 respondents agreed with the statement that performance appraisal was a way of managing human resources of organizations.

Out of 29 staff respondents, 12 stated that training and development is one-way human resources are managed by the HR Department, 10 respondents were of the opinion that performance appraisals were another channel for managing staff in the selected organization while 7 respondents stated that staff or human resources are managed through motivation. Table 7 below explains further.

Table 7: Managing Human Resources –Performance Appraisal

HR department	Staff	Means of managing human resources
2	7	motivation
6	10	Performance appraisal
-	12	Training and development

Source: field survey, 2015

From table 7, it is realized that responses from respondents are more than the population selected; this is as a result of respondents choosing more than one answer or response in relation to the question asked.

Research Question 4: What are the challenges faced by the HR department of ASN financial services limited in carrying out its duties?

This was to find out from both respondents the challenges faced by the HR Department in carrying out its duties.

Challenges of Managing Expectations of Staff

This was to find out from respondent whether managing the expectation of staff was a challenge to HR departments.

Out of 8 respondents from the HR Department, 2 strongly agreed with the statement that managing staff expectations was a challenge to HR Departments, 3 agreed with the statement, 1 respondent were not sure of the statement while 2 respondents disagreed with the statement.

From staff respondents of 29, 9 respondents strongly agreed with the statement while 20 agreed with the statement. Table 7 illustrates further.

Table 8: Challenges of Managing Expectation of Staff

HR department	Staff	response
2	9	Strongly agree
3	20	Agree
1	-	Not sure
2	-	disagree

Source: field survey, 2015

Table 8 shows that the majority of respondents agreed with the statement that managing staff expectations is a major challenge to HR Departments.

Attracting, Motivating and Retaining Employees: This was to find out from respondents whether attracting, motivating and retaining employees were a challenge to HR Departments. From 29 staff respondents, 10 agreed with the statement, 4 respondents were not sure of the statement; however, 7 respondents disagreed with the statement while 5 respondents strongly disagreed with the statement. 3 staff respondents strongly agreed with the statement that attracting, motivation and retaining employees were a major challenge to HR Departments, 4 respondents agreed with the statement, 1 respondent were not sure of the statement while 3 respondents disagreed with the statement. Table 9 illustrates further.

Table 9: Attracting, Motivating and Retaining Employees

HR department	Staff	response
-	3	Strongly agree
4	10	Agree
1	4	Not sure
3	7	Disagree
-	5	Strongly disagree

Source: field survey, 2015

The table therefore shows that majority of respondents were of the view that attracting, motivating and retaining staff was a challenge to the HR Department.

4.0 SUMMARY, CONCLUSION AND RECOMMENDATION

4.1 Summary of findings

Effectiveness of HR Departments in Contributing to the Goals of Organizations

The study revealed that HR Departments are very effective in the employment of quality staff or personnel for ASN financial services, the study revealed that majority of respondents agreed to this as the HR Department ensures the employment of competent staff for the betterment of the entity.

More so it was revealed that HR department also contributes to the performance of organizations as competent staff help organizations achieve its aims and goals. This confirms Tichy et al (1982) assertion that HR department play a pivotal role in determining the business strategy through the assessment of the organization's capabilities to successfully compete through a particular strategy, determining the appropriate rewards system, determining appropriate organization structures, and developing strategies to increase employees' performance.

The Contributions of HR Departments to the Development of ASN financial services /Organizations

In the era of increasing globalization and the struggle to create sustainable competitive advantages, organizations are continuously evaluating their strategies to ensure that they have the expertise needed to help achieve the mission of the organization (Gatewood and Field, 2001). HR Departments contribute by helping in recruiting and selecting the best of personnel to help improve or help in the development of organizations.

Furthermore, the HR Department contributes to the development of organizations through training and development of employees. Swanson (1995) defined employee training and development as the process of systematically developing expertise in individuals for the purpose of improving performance for the betterment of the organization involved. HR Department at ASN financial services therefore contributes to organizational development in terms of training and development.

The Challenges Faced by HR Department in Carrying out its Duties

The study revealed that despite the importance of the HR Department in all organizations, it is beset with lots of challenges. The major challenges facing HR Departments is the challenge of managing expectations from staff. The needs of employees are insatiable and all employees cannot be satisfied at the same time. Moreover, the actions of employees cannot be predetermined by HR Departments; this therefore makes it difficult for the department to satisfy all employees at the same time.

Another challenge facing HR Department and for that matter ASN financial services is the attraction, motivation and retention of employees. Competition from other organization and the need to provide better services for employees all depends of the HR Department, failure to attract and motivate employees leads to slow performance of the organization.

Human Resources Management by Human Resource Department of ASN financial services

Performance management systems make clear to employees what is expected of them and assure line managers and strategic planners that employee behaviors will be in line with the company's goals. The study revealed that the human resource department of ASN financial services manages human resource available to it by using performance appraisal to evaluate workers. According to Noe et al (2003), performance management systems are also geared to ensure that each employee within the organization, based on previously conducted job analyses, is performing the tasks intended at the expected level to support the strategic business objectives of the organization. Effective performance management entails a process where each employee is fully aware of his or her role in the organization, what type of output is expected, and how the output will be measured through performance appraisals the human resource department is able to properly manage its resources.

4.2 CONCLUSION

The Human Resource Department deals with management of people within an organization. Human Resource Department also clarifies and sets day to day goals for the organization. It is responsible for organization of people in the entire Company and plans for future ventures and objectives involving people in the Company.

One of the cardinal functions of every human resource department is to employ the best caliber of staff, train and retain them. For employers to do their jobs satisfactorily they need to possess the necessary skills and the needed job satisfaction should be provided by the employer.

The study has revealed the important role human resource departments play in every organization. It was realized that the effectiveness of the HR Department always leads to the employment of competent or quality employees to help organizations achieve its goals. More so the HR Department plays an important role by helping to recruit and select the best of employees and develops them through training and development.

Aside this important role the human resource department is characterized with lots of challenges which include the challenges of managing employees expectations and difficulty in attracting, motivating and retaining the best of staff.

4.3 RECOMMENDATION

Based on the findings of the survey, these recommendations are made to enhance the human resource departments of organizations.

Training and development is essential for members of staff who have been working for the organization for a long time. This is especially so in the wake of technological advancements, legal changes and changes in service delivery. It is important for an Organization to keep up with industry trends otherwise it faces the danger of becoming obsolete; especially in the background of increasing competition. The role of the HR Department in training its staff should be encouraged to help workers be abreast with new trends in today's job market.

The study revealed that an ASN financial service is finding it difficult to attract, motivate and retain staff. Motivating the employees of an organization is very important as it helps to maintain employees on their jobs as well as induce them to give off their best on the job. In any given economy and for that matter the whole world, people work their way out to get themselves a job because of an expected remuneration and satisfaction for the services rendered. However, when employees expectations thus both implicit and explicit are not met, they may leave the organization. The image an organization portrays and how attractive it is to potential employees is crucial.

To an extent a practical and efficient implementation of these measures backed by policy oriented HR team will go a long way to enhance the HR department of ASN financial services.

REFERENCES

- Arthur, J. B. 1994. Effects of human resource systems on manufacturing performance and turnover. *Academy of Management Journal*, 37: 670-687.
- Chen, C. J. (2009) —Strategic human resource practices and innovation performance The mediating role of knowledge management capacity, *Journal of Business Research*, Vol.62, No.1, pp 104-114.
- Cummings & Worley. (2002). *Organizational Development & Change* (7th ed.). Mason, Ohio: Thomson Learning.
- Gatewood, R., & Feild, H. (2001). *Human Resource Selection* (5th ed.). Mason, Ohio: South-Western
- Delaney, John T (1997) The Impact of Human Resource Management Practices on Perception of Organizational Performance, *Academy of Management Journal*.
- Erica, W. (2006): *Strategic public relations management planning*; University of York Publishers.
- Greer, C.R. 1995. *Strategy and Human Resources: A General Managerial Perspective*. Englewood Cliffs, New Jersey: Prentice Hall
- Harold, K. (2003): *Project Management: A systems approach to planning, scheduling and controlling*; Blackwell publishing
- Handy, C. (1999): *Understanding Organizations* fourth edition; Penguin
- Huselid, M. A. 1995. The impact of human resource management practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*, 38: 635-672.
- Hyde, J. (2004); *Managing and Supporting People in organization*, Bailliere Tindall
- Lawler, E. (1990). *Strategic Pay*. San Francisco: Jossey-Bass Publishers
- Noe, R., Hollenbeck, J., Gerhart, B, & Wright, P. (2003). *Human Resource Management: Gaining a Competitive Advantage* (4th Ed.). Boston: McGraw Hill.
- Prahalad, C. K. (1990). The Core Competence of the Corporation. *Harvard Business Review*.
- Rothwell, W. J. (1994). The Background and Purpose of HRD. *Human Resource Development Quarterly*, 45
- Schuster, J. (1996). The network discusses: Broadbanding, merit pay, and team participation. *Compensation and Benefits Review*, 28(3)
- Tichy, N. M., Fombrum, C. J., & Devanna, M. A. (1982). Strategic Human Resource Management. *Sloan Management Review*, 22, 47-60.
- Ulrich, D. (1997a). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*. Boston: Harvard Business School Press.
- Swanson, R. (1995). The Purpose of HRD: Performance is the Key. *Human Resource Development Quarterly*.
- Watson-Wyatt. (1998). *Strategic Rewards*: Watson Wyatt