

# Education and Its Impact on Human Resource Management and Management Development

John Nkeobuna Nnah Ugoani\*

Department of Management Sciences, College of Management and Social Sciences, Rhema University, Aba, Nigeria

## Abstract

Education is a crucial condition for social economic and personal empowerment required for management development. Management education is critical for organizational management which necessitates a focus of attention towards management development. It is obvious that in developing countries of the world today there is acute shortage of skilled manpower and learning organizations like reputable financial institutions are in the forefront in promoting management development with the aim of enhancing organizational performance. Education and human resource development are essential for human progress and contribute tremendously towards worker efficiency and productivity. Self-development, learning, training and development among employees must be encouraged in organizations as the bedrock for effective management development. Effective management development promotes the emotional intelligence of organizational membership and this is of great relevance to ensure conducive social and psychological environment as well as creating cooperative behaviours in the workplace. The exploratory research design was used for the study and the result showed strong positive relationship between the variables of study. The study was not exhaustive therefore further study should examine the relationship between management education and national development. It was recommended that governments should ensure the development of suitable curriculum to improve the quality of education and management development in society.

## Keywords

Management Education, Knowledge, Human Capital, Personal Empowerment, Productivity

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## 1. Introduction

Education is considered as one of the most critical agents for human development and growth. It also provides the means through which people in society can gain knowledge, and experience. It involves instruction, learning, as well as training and development. Education is important so that people can develop and improve on the necessary skills they require for life-long prosperity in society. According to Kao, et al [1] entrepreneurship, a need-driven desire to create and innovate, is trending in the business world, and education is following suit. They state that since the Industrial Revolution, threads of management thought have been intertwined with educational practice, especially in the areas of business and

organizational structure. Education is the catalyst for production, good health, development, and transformation [2]. It is seen as a major instrument to reduce ignorance, poverty and disease among individuals, organizations, and nations. It is through education that fundamental human rights of individuals may be promoted and sustained. According to Uwazurike [3] formal education is the main source of human resource development and supply. He observes that formal education is vital to the development and utilization of human resources. It allocates people to job positions by providing them with knowledge and skills required in the labour force and giving them the chance for increased participation and productivity in the world of work. For a meaningful work life, there is a minimum educational qualification or requirement for each job holder without

\* Corresponding author

E-mail address: [drjohnngoani@yahoo.com](mailto:drjohnngoani@yahoo.com), [john\\_ugoani@rhemauniversity.edu.ng](mailto:john_ugoani@rhemauniversity.edu.ng)

which the task in question cannot be executed at all, but about which additional qualifications have no economic value. According to Ndu [4] the output of employees in particular occupations increases with their educational qualifications very gradually at first, then at a sharply increasing rate beyond a certain threshold level, after which it levels off again; and also, the productivity of employees in some other occupations increases monotonically with their educational qualifications, first at an increasing rate and then at a decreasing rate, but it never levels off. The scenario justifies the role of human resource management as the mechanism to ensure proper utilization of human capital to enhance management development. According to Odozi [5] the human person is a resource in a production process. This implies that human resource is so critical to organizational survival and sustainability. To this extent, it is accepted that by current complex business and management environments, the human resource is acclaimed as the most important resource available to any organization. Organizations are social systems and they are influenced by structures, technology and the environment. The common denominator among the three is people. The human element is involved in the designing, building and the operation of organizational structures. People are involved in the development and use of appropriate technology for achieving corporate objectives. The relationship between education and human resource management cannot be overemphasized because all levels of education aim at providing people with the skills they require to enter formal employment and to secure a pathway for personal development and to make necessary contributions to organizations and society at large. According to Aoki et al [6] higher education additionally provides nations with the trained professionals that are required for development, such as: teachers, health workers, and public and private sector managers for the purposes of organizational development and economic growth [7-8].

### 1.1. Research Problem

Even though it has long been realized that education and training can play a central role through quality human resource management in organizational management and national development, budgetary allocation to the sector is often poor in many countries, including Nigeria. This is a serious constraint in terms of manpower training and development and sometimes stops nations from fully attaining their national objectives. Aoki et al [6] posits that the major challenge to governments is how to achieve balanced development of the entire education sector within the context of limited financial and human resources so as to improve management development. This critical challenge is worsened by corruption in the education sector in many parts of the world today. Earlier scholars argue that education

corruption includes the abuse of authority for personal and materials gains [9]. Hallak and Poisson [10] define corruption in education as *the systematic use of public office for private benefit*. They posit that in a surprisingly large number of countries in all regions of the world, corruption is pervasive at all levels of education, from primary schools through tertiary institutions.

### 1.2. Research Objective

The study was designed to explore the impact of education on human resource management and management development.

### 1.3. Research Significance

This study is significant to raise the curiosity of students, scholars and others to the reality that education provides the basis for human resource management which is very essential for management development. Human resource management involves effective and efficient acquisition and utilization of the human resource for the realization of organizational objectives. It involves the planning, organizing, directing and controlling of the human efforts and is wholly predicted on the fact that the human person as a resource in a production process is a complex being whose *intrinsic* needs dictate the efficiency of the application of his or her skills on the job to achieve organizational objectives.

### 1.4. Research Questions

- i. Does education make any impact on management development?
- ii. Is human resource management necessary for effective utilization of human resource?
- iii. Is human competence required for development?
- iv. Does corruption promote the education sector?
- v. Is education well funded in the developing world?

### 1.5. Hypothesis

To achieve the objective of the study this hypothesis was formulated and tested at 0.05 level of significance.

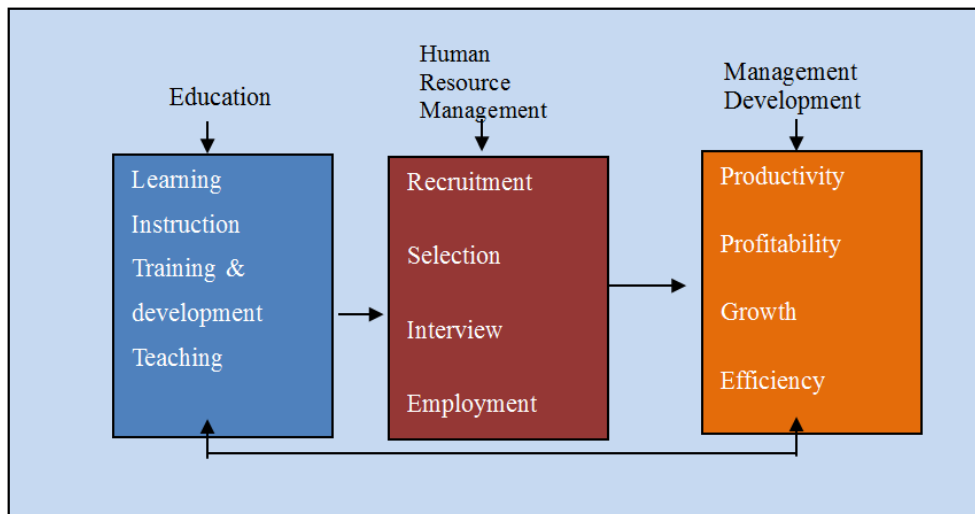
Ho: There is no relationship between education and management development.

Hi: There is a relationship between education and management development.

### 1.6. Conceptual Framework

A conceptual framework is the structure of the study idea and its relationship with the major variables and the study problem. It is usually stated as a schematic model. A model is a representative of reality and used to define, clarify, and explain issues that would otherwise be buried in an excess of words

[11-12]. The framework for this study was shown in figure 1.



**Figure 1.** Education and Management Development Model.

Source: Author Designed (2020)

Education involves learning, instruction, training, development, coaching, and teaching, through which people gain skills, experiences and competencies needed for organizational life. Managing people is among the most difficult issues organizations face, and to achieve a balance requires good human resource management (HRM). Human resource with different skills acquired through the process of education is regarded as a basic ingredient in the development of society. The human resource element in an organization can always be upgraded through continuous education, retraining, and management education. Training and development help individuals to acquire those skills, attitudes and values that would help them to live a useful life and to contribute to the development of society. According to Udeze [13] without proper education, and HRM, individuals may not be effectively developed. HRM involves the processes of recruitment, selection, interviews and employment of suitable individuals to perform specific duties that lead to organizational productivity. According to Armstrong [14] the objective of an organization's policies, processes and programmes for the delivery of learning is to achieve its human resource development strategies by ensuring that it has knowledgeable and competent people required to meet its present and future needs. The future belongs to the person who seeks knowledge everyday, and highlights the need for continuous education and learning for organizational members to ensure management development.

## 2. Literature Review

The benefit of education to individuals, organizations and nations make it very important to society. For example, the

value of education as an investment in future work related benefits extends not only to higher income but also to utilities such as status, job security and other benefits in kind. Middleton, et al [15] suggest that education also can be viewed both as a consumer good and as a durable good because people may derive satisfaction, even joy from study, and it also confers utilities for over the life time of the educated individuals. More broadly, education has positive effect on the quality of parenthood, on citizenship, and on health, that are not confined to the individuals' directly concerned but extends more widely to family and society at large. Education and HRM contribute to business success by helping the organization to grow the managers it requires to meet its present and future needs. Development process may be anticipatory so that managers can contribute to long-term objectives, reactive, as intended to resolve or preempt performance difficulties, or motivational, as geared toward individual career aspirations. According to Patrinos and Kagia [16] education is essential for economic growth and social development. They opine that education also interacts with other investments to raise productivity. Aoki, et al [6] emphasize that basic education or literacy training of adequate quality is crucial to equipping disadvantaged individuals with the means to contribute to economic growth. Education is also one of the most powerful instruments societies have for reducing deprivation and vulnerability, it helps to lift earnings potential, expands labour mobility, promotes the health of parents and children, reduces fertility and child mortality, and affords the disadvantaged a voice in society and the political system. In human development generally, education is the catalyst for the acquisition of social skills required for dealing with transient social

situations and other important roles necessary for management and social development [17-18].

### 2.1. Education and Human Resource Development

Education is identified by all nations as an instrument for development, and it is one of the best ways that every individual can use to contribute to personal and national growth. Modern organizations are large and complex, with many branches, units and sub-units, performing different tasks and sub-tasks so as to achieve organizational goals. Through good educational planning individuals obtain the necessary instructions and learning that equip and provide them with the critical skills to perform organizational tasks. Educational planning therefore, involves the process of consciously and systematically developing the framework that enhances human growth in such a way that identified objectives or goals can be achieved with the most possible level of efficiency. Education provides the basis for the development of skilled manpower which is of great importance to any nation because it does not only constitute a useable commodity, but also decides how much that can be realized with the other institutional or organizational resources. Education is so important in human resource development and management development because a failure in educational planning would automatically result to a failure in management development. It is the power for managerial effectiveness because it includes aspects of planning and administration, socio-economics, sociology and management. It is generally accepted that education is the key to the development of a person's ability to manage and bring about meaningful change in society. The fruits of any good education are the skills, values and attitudes developed by individuals who have passed through the system. Human resource development involves investing in people through education and training. Training is a process of learning a sequence of predetermined behaviour. It is the application of knowledge to carry out a task and gives the employee ideas about rules and regulations for the working process. It is therefore, part of continuing education for management development. According to Njoku [19] training helps to improve task performance of an individual or labour force on the current job as well as preparing the individual employee or a group for a task ahead. He emphasizes that human capital development is similar to training because it involves activities that improve job performance.

### 2.2. Education and Management Development

Education of the individual can play a central role in successful management development and enterprise effectiveness. Formation of critical human capital

through sound education leads to greater productivity and organizational development. Management development does not only promote higher worker productivity but also contributes to organizational competitiveness and sustainability. Management development seeks to improve the competencies and career growth of managers and management materials with the aim of laying the foundation for sound succession planning and organizational leadership. Management development is also concerned with building talent inventory and greater retention of *value* employees required for better performance and overall productivity. Achieving successful management development process often involves clarification of fit between organizational and individual goals so that the managers can be in a good stead to perform to their ultimate maximum and in the interest of the super-ordinate organization. Management development can reduce cost arising from employee turnover, and helps to meet the immediate and future management needs of the organization on timely basis. It also provides greater sense of individual responsibility which enhances the spirit of organizational citizenship behaviour. Basically, formal management development approaches involve education, and self-development. These factors provide the springboard for increased employee loyalty, management succession, and greater organizational leadership. It is almost generally accepted that the combination of education training and development increases productivity in organizations. This is because employees now have better skills, better motivated and have been selected from a more able group attracted to the organization. While it may be difficult to clearly evaluate the relationship between HRM and organizational performance, it is useful to identify the contribution of management development to business success, and wider measures for assessing business success, beyond the traditional key financial indicators (KFIs). For example, the current competitive global market climate encourages high levels of attention to management development, that is increasingly seen not only as a route to achieving business goals, but also as a means of building core competencies over the longer term to promote organizational growth, competitive advantage and sustainability. In this context, there seems to be a departure from the mentality of *encouraging training and development* to the positive ideal of intervening and promoting management development [20-24].

## 3. Methodology

The exploratory research design was adopted for the study. The method is historical in nature and does not often require a large sample or structured questionnaire. The population composed of all the banks listed on the floor of the Nigerian

Stock Exchange (NSE). The sample was selected through the judgmental method and sample size determined by the sample ratio concept [25]. Data were collected through secondary and primary sources including literature review so as to fulfill the study objectives. According to Fink [26] a literature review is a systematic, explicit, and reproducible design for identifying, evaluating, and interpreting the

existing body of recorded documents. It summarizes existing research by identifying patterns, themes and issues, and helps to identify the conceptual content of the field of study, and can contribute to theory development. Data for the study were analyzed through descriptive and regression statistical methods and result presented in tables [27].

## 4. Presentation of Result

**Table 1.** Profile of Respondents (n = 80).

S/N	Description	Category	Total	Percentage
1	Gender	a) Female	30	37.50
		b) Male	50	62.50
2	Education	a) Diplomas	25	31.25
		b) Degrees	35	43.75
		c) Others	20	25.00
3	Age	a) 18-35 years	20	25.00
		b) 36- 50 years	45	56.25
		c) 51 above	15	18.75
4	Experience	a) Under 10 years	15	18.75
		b) 11-20 years	40	50.00
		c) 21 - 30 years	25	31.35
5	Status	a) Low	10	12.50
		b) Middle	30	37.50
		c) High	40	50.00

Source: Fieldwork (2020)

**Table 2.** Frequency and Mean for Responses to Research Questions.

S/N	Restatement of Research Questions	Scores					x	$\bar{n}$	$\bar{x}$	Decision rule @ 3 points
		SA	A	N	D	SD				
		5	4	3	2	1				
1	Education has impact on management development	40	20	2	3	15	307	80	3.84	Accepted
2	Human resource management has effect on effective utilization of human resource	35	25	3	7	10	308	80	3.85	Accepted
3	Human competence is not required full development	10	15	1	4	50	171	80	2.14	Rejected
4	Corruption promotes education	08	12	2	2	56	154	80	1.93	Rejected
5	Education is well funded in developing nations	11	14	3	4	48	176	80	2.2	Rejected

Source: Fieldwork (2020)

**Table 3.** Model Summary<sup>b</sup>.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.745 <sup>a</sup>	.555	.506	754.54458	1.594

a. Predictors: (Constant) Education. b. Dependent Variable: HRM and Management Development

**Table 4.** ANOVA<sup>a</sup>.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	12780234.939	2	6390117.470	11.224	.001 <sup>b</sup>
1. Residual	10248075.313	18	569337.517		
Total	23028310.252	20			

a. Predictors: (Constant) Education. b. Dependent Variable: HRM and Management Development

**Table 5.** Coefficients<sup>a</sup>.

Model	Unstandardized Coefficients		Standardized coefficients		t	Sig.
	B	St. Error	Beta			
(Constant)	-23.953	233.165			-.103	.919
1. DM	313.467	744.044	.150		.421	.679
SF	.356	.208	.608		1.713	.104

a. Predictors: (Constant) Education.

b. Dependent Variable: HRM and Management Development

#### 4.1. Discussion

The profile of respondents in table 1 showed that they were qualified to make useful contributions for the study. As in table 2, (1) the respondents agreed that education has positive impact on management development. This supports the opinion of Aoki, et al [6] that education plays a catalytic role in HRM and management development. At 3.85 points in table 2 (2) the respondents suggested that HRM has positive effect on the efficient utilization of human resource. This lends credence to Odozi [5] that HRM ensures that competent individuals are employed by organizations to manage its resources so that corporate goals can be achieved. The negative response in table 2 (3, 4 and 5) showed that human competence is required for development, also corruption does not promote education, and that education is not well-funded in developing nations. This is a good result because according to Patrinos and Kagia [16] education is a necessary condition for social and economic development and personal empowerment. The summary result in table 3 showed a significant positive relationship between the variables of study. Regression analysis aims at building a model that predicts the dependent variable using the independent variable(s). In regression analysis there is an important measure,  $r^2$ , which measures the goodness-of-fit of the regression model. By this it calculates the percentage of variation in the dependent variable accounted for by the independent variable(s) [28]. In this model,  $r = .745$ , provide a strong positive relationship between dependent and independent variables used in this model. Coefficient of determination  $r^2 = .555$ , showed that the independent variables explain about 56 percentage change in the dependent variable. The goodness-of-fit test of the model is also splendid as the adjusted  $r^2$ , value is .506. the value of Durbin Watson at 1.59 is within the range between 1.5 and 2.5 therefore it could be stated that there is no autocorrelation among the independent variables of this study. Therefore,  $H_0$  was rejected and  $H_1$  accepted to confirm that education is a process that improves an individual's skills and abilities and thus, his or her productivity. It also showed that education forms a critical part of national development; because it contributes to worker productivity and promotes better resource management and innovation, and that a major task of HRM is to increase corporate efficiency through management development [29-30].

#### 4.2. Scope for Further Study

Further study should examine the relationship between management education and national development. This may provide new ways towards managing national resource wealth in many countries.

#### 4.3. Recommendations

- i. Governments need to ensure the development of appropriate curriculum to enhance the impact of education in society.
- ii. There is need for campaign to enhance reading culture in many nations to improve the quality of education and management development.
- iii. Through good selection process HRM activity will add value to management development necessary for organizational efficiency.

### 5. Conclusion

Education is a powerful tool in human development and HRM is crucial for management development. Human resource embraces all the knowledge, skills, competencies, and expertise in technical, mechanical, managerial, social and other areas necessary for development. The exploratory research design was used for the study and the result showed a strong positive association between the variables of the study. This is the crux of the study.

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## Biography



**John Nkeobuna Nnah Ugoani** is Associate Professor of Management at Rhema University, Nigeria. His research interest focuses on business, management, governance, leadership, and emotional intelligence. John is recognized for presenting the first best PhD Thesis in Management at the Faculty of Business Administration, Imo State University, Owerri, Nigeria. He has over 90 scholarly publications with full paper readership downloads and abstract views of over 5000 and 20000 respectively and ranked among Top Ten Authors by SSRN. Before entering academia, he was a senior manager at First Bank of Nigeria Plc.