

The challenges at access bank plc commerce essay

[Finance](#), [Banks](#)



Access Bank PLC is a well known Bank in Nigeria whose licence was issued on December 19, 1988, and incorporated in February 8, 1989 and became a public limited company in March 24, 1998 (Access Bank PLC Online, 2011). In 2001 it obtained a universal Banking licences from the Central Bank of Nigeria (Access Bank PLC Online, 2011). The transformation of this bank was tremendous from small obscure Nigerian Bank now into an African financial institution of note, with the wings stretching off the shores of the Atlantic.

Access Bank Plc is the Bank of best practice with consistent growth in all key performance indicators over the past 7 years. They have over two million customers from 130 branches positioned in all main commercial centres and cities across Nigeria, eight other African countries (Burundi, Cote D'Ivoire, Democratic Republic of Congo, Ghana, Rwanda, Sierra Leone, The Gambia, Zambia) and the United Kingdom, and three non-banking subsidiaries - United Securities Limited, Access Homes and Mortgages Limited, and Access Investment and Securities (Access Bank PLC Online, 2011).

As an emerging leader in Africa; Access Bank not only seeks to rank amongst the top 3 Nigerian Banking Groups by 2012 but also to become a major catalyst for growth across the African continent (Access Bank PLC Online, 2011). Access bank values are based on trust, teamwork, passion for customers, continuous learning, ethics and excellence this is what drives them to conduct their business of uncompromising ethical principles.

This paper discusses Human Resource Management of Access bank plc, this will include the written and psychological contract, hard and soft HRM and the integrative approach to HRM.

The Written Contract:

The written contract stands as a legal binding between an employee and the employer, it is a document detailing the nature of work and pay and sometimes includes the number of years expected to retire. The written contract is compulsory in most work places. This is true and important, as it tells the employee his or job description although at times it is usually not detailed enough but it is still necessary to have a written documentation on acceptance of work.

The written contract does not generally mean that an employee has job security; it is just a proof showing that an employee works for such an organisation.

Other main features of the contract are the general conditions of service in terms of remuneration, pension scheme, health facilities available and so on.

The Psychological Contract:

The psychological contract refers to “ individual beliefs, shaped by the organization regarding terms of an exchange agreement between the individual and the organization”, (Conway and Briner, 2005; Rousseau, 1995; Armstrong, 2003).

An organization’s business strategy will determine the type of HRM practices it adopts and this has an impact on the nature of the psychological contract (Grant, 1999). According to Henderson (2008), psychological contract will never in any way be mistaken to be a legal contract of employment or any

documented statement of terms and contract of employment. He further stressed that it exist purely in the minds of the employer and his employees and so it never existed or written and never articulated.

Types of Psychological Contract:

There are two types of psychological contract; that is, the transactional which is related to the economic or monetary base with clear expectations that a company will fairly compensate the performance delivered and punish the inadequate acts and the relational contract which is related to the social emotional base that underlies bases of shared values, respect and support in interpersonal skills.

Transactional psychological contract can be seen in Access bank, were employees are given targets. The targets are meant to be reached as the minimum performance requirement of the bank from the employee, failing to, puts the employees continued stay on the job, in jeopardy. This is true because the bank is supposed to benefit from the employee as the employee also gets rewarded at the end of the day. It is not written, but it is in the mind of the employee to be productive. This applies solely to the marketing department.

It is worthy of note that this practice has been severally criticised by people as being illegal and encouraging immorality on the part of the employee, who is made to do whatever it takes to meet the required targets, despite the fact that there is no written contract in this regard.

The relational contract deals with the working conditions shared values and mutual respect between an employee and the employer. In Access Bank PLC, the staffs are expected to have a sense of belonging and this helps to ease the tension at work. One of the employee's expectations from their employers is the provision of a safe working environment.

A significant feature of psychological contract is the awareness of mutuality that there is a common and agreed understanding of promise and obligation between the employer and the employee about work, pay, loyalty, in terms of faithfulness and trustworthiness, commitment and devotion to duty, adaptability to change which is constant in life, security and career advancement.

According to the Norm of Reciprocity (Gouldner, 1960), " when employers do not fulfil their promises and obligations, the employee reciprocates by altering his or her contributions to the organization"; for example, by reducing their efforts and performance. Thus, psychological contract breach is negatively related to employee job performance.

Moreover, when the organization fulfils its promised obligations, employees may be motivated and engage in discretionary behaviours, including increased effort and organizational citizenship (Coyle-Shapiro, 2002)

Although psychological contract as we have seen lies in the minds of the employer and employees, the employees still perceive career progression and job security as an obligation due to them for number of dedicated years

of loyalty and commitment. Modern organizations are learning to live without such rudiments in psychological contract

Talking about security gives concern to relate to Maslow's Hierarchy of Needs and a few theories which will be looked into as regards Access Bank PLC.

CONTENT THEORIES OF MOTIVATION

As regards the Content Theories of Motivation, Maslow explains the Hierarchy of Needs in a way that it relates to the psychological contract. According to Ashley-Jones and Maxwell-Harrison (2011), this theory seeks to determine what is it that motivates employees at work; what are the needs and how can they be prioritised? They further consider the incentives that motivate people's performance. This is true as it relates very well to the above bank in all ramifications.

Maslow's Hierarchy of Needs, this is a theory in psychology proposed by Abraham Maslow in 1943 he termed it to be a theory of motivation (Maslow, 1943). He explains various levels of life in one and it is in a triangle or step formation. The levels are;

Physiological needs

Safety needs

Love and belonging

Esteem

Self actualization

Self-transcendence

These steps apply to employees in Access Bank PLC, it runs through their lives in the organization and more especially we could see the various steps in our lives as individuals.

From Another content theory of motivation is that of Herzberg Hygiene 2 factor theory.

Herzberg Hygiene 2 factor theory explains the driving factor that motivates employees in workplace and in turn gives them job satisfaction. Concerned with identifying the need/drives that people have and how these are prioritised, it also involves the incentives or goals that people strive to attain in order to be satisfied and productive (Ashley-Jones & Maxwell-Harrison, 2011).

On the other hand, Herzberg Hygiene 2 factor theory also talks about dissatisfaction in the workplace, for example, the salary not conforming to the level of input being put in place, supervision on the job even when no supervision is needed, and relationships with superiors, unfavourable working conditions, security and, not forgetting company policy. All these are true in the above mentioned organization, and it is frowned at.

SOFT AND HARD HRM

There are basically two types of HRM models, well-known early in academic discussions of HRM: “ Hard HRM” with examples on the strategic, quantitative aspects of managing human resource as a profitable factor in production, and “ Soft HRM”, embedded in the Human Relations School and critically stressing on motivation, communication and leadership (Storey, 1989).

All models of HRM are apprehensive with strategic issues, but ‘ hard’ models are literally said to have a stronger focus on ensuring that the HRM strategy ‘ fits’ and is driven by the general corporate strategy (Keenan, 2005).

Soft Human Resource Management is related with the human relations progress, the deployment of individual ability and Mc Gregor’s Theory standpoint on individuals (developmental-humanism). These have been measured to the concept of ‘ high commitment of work system’ (Walton, 1985). Soft HRM is concerned mainly with goals of flexibility and adaptability and these we will see if it is beneficial in totality in the above mentioned bank.

According to the scientific management, workers should be left to perform those simple and routine jobs for which they are far better suited leaving all the brain work to management. This can be evidenced from the operations and customer service departments. More so, the customer service area is managed and strictly supervised since it is the first place a customer comes in contact with in the bank. The bank is said to have a scientific management in check for the customer services employees, this is due to the fact that

employees are made to sit at their desk at all times attending to customers' needs and services during time of business transactions. Were employees are left to perform simple tasks. However the HRM practises are seen in the marketing, legal and IT departments were employees participate in the decisions made and they become committed to the organisation thus implement decisions whole heartedly and quickly.

According to Hughes et al (Appleby and Mavin, 2000) Companies can attain competitive advantage by developing a vastly committed, competent and motivated workforce. This can be achieved by creating a highly trusted culture. Regardless of the size or business strategy, organizations should adapt the so called best practices of HRM. Hughes et al (Bamberger and Meshoulam, 2000) emphasis is put on the collection of human resources or human capital base (skills, knowledge, potential) which the organisation has to work with. The recruitment, selection, training, recognition, reward and development processes directly affect motivation.

However, the Strategic Human Resource Management challenges the universalistic approach that there is no one best practices. This builds on the work of Chandler (1962; 463) who coined on the phrase " structure follows strategy." HRM practices should thus change over time depending on the stage in which the organisation is in that is the growth, maturity, or decline stage. Therefore according to the strategic or contingent approach to management there is no one best practices. Controlling and leading in organisations has to be tailored to particular circumstances that are facing the organisation. Certain aspects have to be considered, for example, the

environmental changes and work uncertainty, technology changes and the size of the company in which it is operating, and most importantly the cultural values of the people should be considered. For example the operation of Access bank plc in other countries such as Rwanda, Ghana United Kingdom among others takes in to consideration the culture when choosing which management style to use.

This approach holds the assumption that that there is no best fit or universal practice of Human Resource Management because organisations, people and resources change over time. Lawrence et al (1967), suggests that organizations that operate units in the same environment find that each unit develops different internal unit characteristics. Woodward (1965) found that organisations that were financially successful had different types of work technologies that varied in the number of management levels, and the high degree of management specialisation. The organization should therefore differ from the firms' performance and as such certain organizational forms are appropriate for certain types of work management. Blau and Schoenherr (1971) looked into the size of the organizations. Organisational size is one of the variables thought to impact the efficiency of the organisations.

Relatively small organisations should behave informal while big organizations must behave more formally. Large organisations can employ more staff, have more entities, jobs, and thus a divisional structure is more suitable for this form of organisations

The contingency approach therefore suggests that there is no one best practice but rather depends on the mix and match.

Integrative Model

The integrative model on the other hand is concerned with management control, with reward and effort exchange which in turn focuses on acquisition and development, locus of control (Ashley-Jones and Maxwell-Harrison 2011).

The model concerns itself with four dominant type of HR strategy which are:

Commitment

Workers in the marketing, legal, and IT sections are said to be committed to their work, they are knowledgeable and at such less supervision is been in place and more discretion to their jobs. They tend to start from the cradle of the job what is being called in Access Bank as executive trainee (ET) and grow to top managerial positions in the organization and that is referred to as executive directors (ED). There is a continual learning and training in place for workers in these sections that is on-the-job-training.

Collaboration

Access Bank plc believes purely on team work, not neglecting individual efforts. They have this saying: " together we stand and divided we fall".

Employees are collaborating in all departments to achieve a common goal which is the vision, mission and goals of the organizations putting their personnel interest and ego aside in other to be productive. Extensive

outsourcing, low supervision and flexible in the way and manner their work are been done.

Paternalistic

The paternalistic model runs through the whole organization but dominant in some more than others. For instance, in the customer service and operations department, it can be confidently stated that they have these model which is kind of a taylorist way of doing things; one way, the employer's way, bureaucratic in nature, mature and declining, slow changing environment. But there is reward for compliance and human relations hence it is seen that they grow their own as regard human relations. There is also a bit of paternalistic model in the other department but not as the taylorist way, here they grow their own and there is reward for compliance as well without strict supervision on their work practices.

Traditional

This is typical in the customer's services, operations, drivers and cleaners sections. The later was not mention before now, the traditional is more of taylorist approach, ' here to work and not to think', the human element is systematised out of the process by the management. It interest on how this work effectively in the drivers and cleaners section were they are been told what to do and their opinion is in no way needed at all. They are required to strictly adhere to laid down directives.

Having talked about this few models as regards Access Bank PLC, it is of note that the issue of psychological contract cannot be left out, because of its vital and delicate nature in organizations.

CONCLUSION

There are much more models and theories in Human Resource Management, but this paper dwells on the few talked about, looking at the organization that was chosen and trying to relate these models to them.

Clearly it was observed that there is no one best model suitable to the organization and that there was a mixture of models in between the system, Soft HRM and Hard HRM

It was noticed that workers in the operations and customer service section had slower growth in terms of promotions as compare to their counterpart in the marketing, legal and IT sections, these in turns causes friction within employees working in same bank. This is due to the different models applied in each section. Although the models tends to be productive for the organization but working environment is not healthy.

Would be nice if there is a set of model that run through any organization covering all departments equally and address the issues of Witten and psychological contract

In this era of austerity, were organizations are trying so hard to cut cost and maximise profit they should not forget to imply good management practices

in place. This is because of change which is a constant factor. A Failure to evolve leads to extinction, (Ashley-Jones and Maxwell-Harrison, 2011).