How do Human Capital Planning and Employee Development Relate with Employee Retention in High Educational Institutions in Sokoto State?

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Abstract— Human capital planning is one area that has witnessed spurred development lately. Organizations regardless of motive are getting more flat and relaxed by moving far away from the known hierarchical systems. The central theme of human capital planning (HCP) is to work out modalities that will favor both the employer and employee. This paper used academic staff in higher educational institutions (HEI's) and examined the relationship among HCP, employee development and employee retention. The views of 416 respondents were analyzed using SmartPLS 2.0. It was revealed that two out of the three hypotheses were proven and there were no enough evidence to support one. The paper recommends that employee development should be revisited and accorded a requisite modification that will serve as a morale booster and more or less a retention strategy in HEI's in Sokoto State, Nigeria.

Keywords: Human Capital Planning, Employee Retention, Employee Development

I. INTRODUCTION

It is a known fact that development and management of every organization have placed human capital planning on as imperative strategic position and this also goes from public sector instructions that are strong to become more productive accountable and attractive up to the next generation of workers in today's war for talent. These organization individual and their performance are significantly influence need to some factors but all summarized and controlled by human capital planning which is considered to be a systematic process for identifying the resource pool and its capabilities to meet organization goals and developing the strategy to meet the requirements to fulfill those goals.

Human capital management will help organization to develop their resource plans. Human Capital Management also involves putting the right person employee at a right place and at the right time that is to bay determining the right number and skills of needed employees and where and when they will be needed. However, with human capital management in place, organization can make smatter hiring describing. By more effectively matching a candidates skills and background with open position organization can prevent the kind of on- the job frustration and low morale that under-qualified staff members are likely to feel.

More so, human capital management planning practices of adopted appropriately not only increasing the resource of the employee (human capital) through skill development but also help improving their overall performance through employee retention, therefore improved performance of organization through enhanced capabilities of its employee lead to the improved social image of that organization as well as satisfying social needs of employee in turn discourage employee turnover so the employee are to be given a chance to develop their capabilities like skills and knowledge through various means like career planning and growth, training , works itself which lead to better performance of the jobs in turn better performance of the organization bring about dissatisfaction and how productivity in the jobs.

The present study aims at assessing the correlation among HCP, employee development and employee retention of academics in High Educational Institutions in Sokoto State, Nigeria.

II. RELATED LITERATURE

A. HCP

According to [1] emphasize the measurement aspect of human capital management, they define human capital as the stock of accumulated knowledge skills experience creativity and other relevant work for attributes and suggest that human capital management involves putting into place the metrics to measure the value of these attribute and using that knowledge to effectively manage the organization.

[2] viewed it as the total development of human potential expressed as organizational value. He believe that human capital management is about creating value through people and that it is a people development philosophy but the only development that means anything is that which is translated into value. Harmonizing the views of [3] and [4] human capital planning represents a combination of expertise, attribute and a systematic process of utilizing organizational priceless resources to ensure the realization of organizational objectives. Summarily, HCP involves:

1. Systematic process that is integrated, methodical and ongoing.
2. Determine the numbers and skill of needed workers and where and when they will be needed.
3. Identify the actions to be taken to attract and retain the number and types of workers tat the organization need.

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4. Organizational collaborations

B. Benefits of HCP

Human capital planning allows organization to build and shape the resource pool prepared to achieve strategies activities. It provides organization with many benefits. Which some of tem are as follows:

1. It allows for a more effective and efficient use of resource. This will become increasingly important as some organization find themselves having to do the same amount of worker ore with fewer staff members.
2. It helps ensure that replacements are available to fill important vacancies. Filling vacancies is especially critical as organization face an increasing number of resource eligible for retirement.
3. It provides a clear rational for linking expenditure for training and retraining, development, career counseling and recruiting efforts.
4. It provides realistic staffing projection for budget purposes.
5. It helps maintain or improve a diversified human capital
6. It helps an organization to prepare foe restructuring reducing or expanding its human capital.

[5] pointed out that employee retention is an important function of HCP and Retention function comprises the attributes of:

1. Rewarding employees for performing their jobs effectively.
2. Ensuring harmonious working relation between employee and employers
3. Maintaining a safe healthy working environment.

He further suggested that their treatment of employees open communication face to face resolution of conflict, promotion of teamwork, respect for the dignity of each individual and pay increase based of each are essential to retain employees.

C. Employee Development

Employee development is perhaps one of the most essential functions of human resource management. It is aimed at developing the potentials of the organization through individuals. Several studies have acknowledged a very apparent relationship between a well planned human capital of an organization and the employee training as well as organizations potential to appraise and manage performance. Thus, the image of an organization is also reflected in the extent and quality of staff training ([6]; [7]). [8] believed that before an organization effectively provides training to the employees it should be viewed and analyzed from both the macro and micro level perspectives. The macro level angle consists of the cost implication, extent of cooperation among the providers, who to be trained as well as the economic impact From the perspective of the micro level, [5] affirmed that an organization verdict is very central to training success. For instance, on the type, need, method and strategy for evaluation [9].

D. Employee Retention

[10] pointed out that employee retention has become a primary concern in many organizations for several reasons. As a practical matter with low turnover, every individual who is retained means one less person to have to recruit, select and train. Also organizational and individual performance is enhanced by the community of employees who know their job co-workers organizational service and products and the firms customer one survey of supervisor and worker found that loosing high performs made it more difficult fore organization to reach their business goals, additionally continuity of employee provide better employee image for attracting and retaining other individuals.

[10] Defined turnover as "the process in which employees leave the organization and have to be replaced".

Therefore employees leave their working place due to some reasons which include:

i. Involuntary turnover - a situation whereby appointment of a worker is terminated due to poor performance.
ii. Voluntary turnover - a situation where by an employee leave by his choice.
iii. Functional turnover- an employee leaves due to lower performing or descriptive employee leave.
iv. Dysfunctional turnover - a situation whereby the key individuals and high performer leave their job at critical times.
v. Uncontrollable turnover, - this occurs for reasons outside the impact of the employer.
vi. Controllable turnover - occurs due to the factors that could be influenced by the employer.

E. The focus of HCP on the employee retention

In economic conditions, along with the collapse of the dot.com employment bubble and slowing of the growth of technology firms, have led some to speculate that the emphasis on retention was a temporary concern. Therefore, it is imperative that organizations and managers recognize that retention must be a continuing HR emphasis and a significant responsibility for all supervisors and managers.

F. Retention Determinants

It has been recognized by both employers and employees that some common areas affect employee retention. If certain organizational components are being provided, then other factors may affect retention. Surveys of employees consistently show that career opportunities and rewards are the two most important determinants of retention. Finally, job design/work factors and fair and supportive employee relationships with others inside the organization contribute to retention.

A number of organizational components influence individuals in their decisions to stay or leave their employers. Organizations that have positive, distinctive cultures and values have less turnover, as the opening discussion indicates.

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Organizational culture is a pattern of shared values and beliefs that provides organizational members meaning and rules for behavior. Numerous examples can be given of key technical, professional, and administrative employees leaving firms because of corporate cultures that seem to devalue people and create barriers to the use of individual capabilities. In contrast, creating a culture that values people highly enables some corporations to successfully attract and retain employees

Other organizational components that affect employee retention are related to the strategies, opportunities, and management of the organization. In some organizations external events are seen as threatening, whereas others see changes as challenges requiring responses. The latter approach can be a source of competitive advantage, especially if an organization is in a growing, dynamic industry. One factor affecting how employees view their organizations is the visionary quality of organizational leadership. Often such vision is demonstrated by having an identified strategic plan that guides the firm's response to changes. If a firm is not effectively managed, then employees maybe "turned off' by the ineffective responses and inefficiencies they deal with in their jobs. Organizations with clearly established goals that hold managers and employees accountable for accomplishing results are viewed as better places to work, especially by individuals wishing to progress both financially and career wise.

Many individuals have seen a decline in job security over the past decade. All of the downsizings, layoffs, mergers and acquisitions, and organizational restructurings have affected employee loyalty and retention. Also as co-workers experience layoffs and job reductions, anxiety levels of the remaining employees rise. Consequently, employees start thinking about leaving before they too get cut. On the other hand, organizations where job continuity and security is high tend to have higher retention rates.

Job insecurity concerns generally increase as workers become older because these individuals perceive they would have more difficulty in finding employment that provides comparable pay, benefits, and responsibilities. Even younger individuals have experienced some increase in job insecurity due to the decline in employment at some dot.com and high-technology companies.

G. Rewards and Retention

The tangible rewards that people receive for working come in the form of pay, incentives, and benefits. Numerous surveys and experiences of HR professionals reveal that one key to retention is to have *competitive compensation practices*. Many managers believe that money is the prime retention factor, 89% in one survey, and many employees cite better pay or higher compensation as a reason for leaving one employer for another. However, the reality is a bit more complex.

H. Competitive Benefits

Another compensation issue affecting employee retention is having competitive benefits programs. Employers also are learning that having some *benefits flexibility* aids retention. When employees choose how much and what benefits they will have from a "cafeteria" of choices, given a set sum of money available from the employer, the employees can tailor the benefits to their needs. By giving employees greater choice, employees feel more "individual" and "in control," thus reducing their desire to move to another employer.

I. Special Benefits and Perks

A number of employers use a wide range of special benefits and perks to attract and retain employees. One large company has on-site recreation clubs, discount travel programs, day-care centers, and other resource benefits for employees. At other firms *concierge benefits* provide employees with assistance in personal matters at their places of work.

J. Performance and Compensation

Many individuals expect their rewards to be differentiated from others based on performance. For instance, if an employee receives about the same pay increase and overall pay as others who have lower productivity, more absenteeism, and work fewer hours, then the result may be a feeling of "unfairness." This may prompt the individual to look for another job where compensation recognizes performance differences. The results of a survey on rewards at work found that individuals are more satisfied with the actual levels of their pay than the processes used to determine pay. That is why the performance management system and performance appraisal processes in organizations must be linked to compensation increases.

To achieve greater performance links to organizational and individual performance, a growing number of private-sector firms are using variable pay and incentives programs. These programs in the form of cash bonuses or lump sum payments are one mechanism used to reward extra performance.

K. Recognition

Employee recognition as a form of reward can be both tangible and intangible. Tangible recognition comes in many forms, such as "employee of the month," perfect attendance, or other special awards.

Recognition also can be intangible and psychological in nature. Feedback from managers and supervisors that acknowledges extra effort and performance of individuals provides recognition, even though monetary rewards are not given. Also, managers have been trained to make special efforts to recognize employee performance and service.

III. METHODOLOGY

The previous chapter has presented related literature on HCP, employee development, benefits of human capital management, employee retention and the focus of HCP on employee retention. This section discusses research methodology and procedures undertaken by this study.

Specifically, this chapter covers population of the study, sample size and sampling technique, data collection and data analysis techniques.

A. Population of the Study

Population of the study refers to the whole group of people, proceedings or things that the investigator wishes to investigate and upon which the researcher desires to make inferential judgment [11]. This study purposely focused on four higher educational institutions in Sokoto state metropolis. They are Usmanu Danfodiyo University Sokoto, The polytechnic of Sokoto State, Shehu Shagari College of education, College of Nursing and Midwifery Sokoto State. The selected institutions have employee population of 2850.

B. Sampling Design and Sample Size

A sample represents a part or a set of individuals or participants selected from a larger population for the purpose of a survey [12]. The paper however adopted Systematic Sampling method under the probability sampling Systematic sampling is a statistical method involving the selection of elements from an ordered sampling frame. The most common form of systematic sampling is an equal-probability method, in which every k^{th} element in the frame is selected, where k, the sampling interval (sometimes known as the *skip*), is calculated as

$$k = \frac{N}{n}$$

Where n is the sample size, and N is the population size. This is one of the methods that have been used. Using this procedure each element in the population has a known and equal probability of selection; five hundred and seventy (570) employees were however selected in that order.

C. Instrument

One instrument (questionnaire) was used for data collection which was designed on a 5-point Likert scales to measure the study variables. The study did content and construct analysis by making use of extensive literature and previously validated constructs. It establishes further the incorporation of the representativeness of the items in the questionnaire for adequate data collection.

IV. ANALYSIS AND RESULTS

This segment displays how the questionnaires were distributed to respondents and the data obtained. It further shows the analysis of the data obtained. The analysis was tackled from the perspectives of both the measurement and structural models. Table 1 that follows shows the distribution of the questionnaires and the total number of responses from the targeted participants.

Item	Frequency	Percentage
Distributed questionnaires	570	100
Returned questionnaires	448	78
Rejected questionnaires	32	6
Retained questionnaires	416	72

Source: Field Survey, 2014

A total of 570 respondents make up the sample for this study which gave a valuable answer rate of 72% that covers employees of the selected higher educational institutions in Sokoto metropolis. This rate is measured sufficient going by the arguments posed by [13] who said that response rate of 30% is considered adequate for surveys. Again, the technique for analysis used in this study SmartPLS 2.0 [14] is capable of working even with smaller samples.

A. The Measurement Model

In SmartPLS 2.0 [14] analysis, the first step in analysis is the measurement model, or the outer model. Measurement model is concerned with determining the goodness of measures. The two main criteria used in SmartPLS 2.0 [14] analysis to assess the measurement model or what is alternatively called the outer model include validity and reliability [15]. In ascertaining the reliability, it aims at finding how consistent is the measuring instrument in measuring the concept it is supposed to measure. Validity tests on the other hand find out how well instrument measures the concept. In this study, the reliability and discriminant validity of the instruments used are evaluated using the advances put forward by [16].

B. Results of Confirmatory Factor Analysis (CFA)

This part displays the result presents results of loadings and cross loadings of items used to measure constructs. SmartPLS 2.0 [14] has an in built capacity that determines whether the items really measure what they are set to measure. As shown in table 2 the bolded items have their loadings above 0.5 which according to [17], convergent validity is accomplished when items load higher than 0.5 and no any items from other construct have a loading higher than the one it plans to measure.

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Table 2
Loadings and cross loadings of items

	HCP	EMD	EMR
HCP1	**0.71**	0.39	0.33
HCP2	**0.74**	0.41	0.24
HCP3	**0.77**	0.43	0.33
HCP4	**0.75**	0.43	0.27
HCP5	**0.75**	0.41	0.29
EMD1	0.44	**0.77**	0.33
EMD2	0.51	**0.83**	0.36
EMD3	0.52	**0.87**	0.32
EMD4	0.36	**0.76**	0.4
EMR1	0.31	0.55	**0.78**
EMR2	0.31	0.33	**0.81**
EMR3	0.29	0.37	**0.86**
EMR4	0.41	0.46	**0.82**
EMR5	0.43	0.36	**0.77**
EMR6	0.46	0.4	**0.82**
EMR7	0.36	0.35	**0.88**

Table 3
Composite Reliability and AVE

Latent variables	AVE	Composite Reliability
HCP	0.55	0.88
EMD	0.67	0.89
EMR	0.63	0.92

The Table displays the composite reliability and average variance extracted (AVE) statistics for the study constructs. For a composite reliability value to be accepted it should be at least 0.70 and 0.50 for AVE.

C. The Structural Model

The structural model evaluation depicts an examination of the direct relationships. Here three hypotheses were tested out of which two (2) were proven to have been supported and one (1) could not be supported.

Table 3

Discriminant Validity

	HCP	EMD	EMR
HCP	**0.776**		
EMD	0.454	**0.883**	
EMR	0.448	0.452	**0.876**

The discriminant validity as shown in table 3 was undertaken to examine the external consistency of the structural model it sets to determine how well the items measure the constructs that they set to measure as could be seen in the table 3 the individual correlations of items against the constructs, and confirmed that none of the items from other constructs has a loading higher than the particular constructs.

Table 4

Results of hypotheses testing

Hypotheses	Beta (β)	*t-value*	*p-value*	Decision
HCP -> EMD	0.06	0.62	0.9	***not supported***
HCP -> EMR	0.13	0.97	0.33	***Supported***
EMD -> EMR	0.17	1.24	0.22	***Supported***

Table 4 shows the path coefficients, t- values, p-values and beta values at which the hypotheses were accepted or rejected. The t-values in this study were calculated using a 5000 re sampling iterations in repetitive bootstrapping.

V. Discussions

A. Relationship between Human Capital Planning and Employee Development

This study finds that this relationship is not supported. This result has the backing of [8] who pointed out that some Nigerian higher educational institutions hold that the purpose of employee development is more of enriching organizational manpower and not specifically targeting individual growth.

B. Relationship between Human Capital Planning and Employee Retention

This study finds support for this relationship. This relationship is supported in this study. As long as the human capital planning captures individual employee aspirations and aligns those motives with organizational goal, the cordiality between the employer and employee is anticipated to be bright. This study finds support in the works of [8] who believe that employee retention is a byproduct of the relationship between human resource management practices and performance management system.

C. Relationship between Employee development and Employee Retention

This relationship is supported in this study. The result is in agreement with the findings of [18] stressed that the connection between development and retention is very significant. The result of this study believes that the moment an employee is engaged in training their attitudes are bound to change in either ways, they feel there is a commitment for them to stay if they believe otherwise, they tend to behave otherwise by feeling tempted to leave. Also, [19] emphasized

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that influence of development can only reflect on employee's willingness to stay if the organization integrate in their employee development strategy the individual concerns and motives.

VI. Conclusion and Implications

The goal of this paper is to empirically test the relationship between human capital planning, employee development and employee retention. The outcome of the results of the hypotheses testing shows that one relationship is short of statistical significance i.e. human capital planning and employee development.

This study is faced certain limitations in terms of content and of focus. Mainly only few selected higher educational institutions in Sokoto state Nigeria were focused on. Secondly, few variables made of the contents of this paper and many could not be covered and could as well be incorporated in future studies

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