

**THE IMPACT OF CAPACITY BUILDING AND MANPOWER DEVELOPMENT ON STAFF
PERFORMANCE IN SELECTED ORGANISATIONS IN NIGERIA**

Ojokuku, R. M.

Department of Management and Accounting, Ladoke Akintola University of Technology,
Ogbomoso, Nigeria
roselineojokuku@yahoo.Com

Adegbite, Tajudeen Adejare 

Department of Management and Accounting, Ladoke Akintola University of Technology,
Ogbomoso, Nigeria
adetajud@yahoo.com

Abstract

This study assessed the effect of capacity building and manpower development activities on the staff performance in selected business organisations in Nigeria. Data was gathered from 128 managers of randomly selected firms in South western Nigeria, with the aid of a questionnaire, while descriptive and inferential statistical tools were applied for data analysis. Findings revealed a significant positive relationship between capacity building and staff performance in the selected organisations. It was concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organisations.

Keywords: Capacity building; Manpower development; Staff performance

INTRODUCTION

In most organizations whether large or small, there are three basic elements to look out for. The first is the human element which comprises of employee working in the organization, second is the method of operation needed to enable the organization function effectively both internally and externally, while the third element is how to enhance productivity and the efficiency of employees. This is where capacity building and manpower development come into play. Capacity building, training and manpower development have over the years risen to a new found importance, so much so that numerous literatures abound on the topic both within the academic and non-academic circles. It is much more than training and includes; human resources development, which involves the process of equipping individuals with skills,

understanding, access to information, knowledge, and training which enables them to perform effectively (Barney, 2001).

Capacity building has its origin in the United Nations and its quest to develop people and entities. The lead with the UN system for action and thinking in this area was given to United Nations Development Programme (UNDP) and has offered guidance to its staff and governments on what was then called institution building. This involves building up abilities of basic national organizations, in areas such as Civil Aviation, Meteorology, Health, Education, Nutrition etc, to do their task well (Fy, 2012).

UNDP recognizes that the capacity building is a long-term process in which all stakeholders participate (Ministries, Local authorities, Non-governmental organizations, Professional Associations etc.). This creates enabling environment with appropriate policy and legal frameworks, institutional development including community participation (of women in particular), human resources development, and strengthening of managerial systems.

In every organization manpower represents a key decision area and as such occupies an ever increasing significance in modern day organizations. This is primarily due to the fact that manpower is an extremely valuable asset in any organization. This importance can be exemplified in the crucial role it plays in attainment of any organizational goal as organization activities revolve around it for their success (Akinusi, 1983).

It is note worthy to mention that the single advantage that any organization may have over any competition sometimes consist of the number and quality of people employed to manage organizational activities. For manpower to be able to perform its duties, it needs to acquire necessary knowledge and skills, which will help in no small measure to improve the productivity of the organization. This is made possible by the provision of adequate training and capacity building programme by the organization.

Training and development helps to ensure that organizational members possess the knowledge and skills they need to perform their job effectively, take on new responsibilities and adapt to changing conditions (Jones and George 2008). It is further argued that training helps improve product / service quality customer satisfaction, productivity, morale, business development and profitability. According to Nwachukwu (1988) emphasis placed by any organization on training and development of its employees determines the productivity of the organization. Technological innovation which occurs everyday, renders today's skills and method ineffective for tomorrow's activities. Thus, one crucial function of management is to ensure that employees without necessary skills are helped to acquire them, while those who do are helped to update them. Furthermore to emphasise the importance of capacity building in employees, the International Labour Office (2000) affirmed that development and training improve their trainees "prospects of finding and retaining jobs' while also improving their productivity at work, their income earning capacity and

as a result their living standard. It also effectively widens their career choices and opportunities. Shields (2007) conceptualised 'performance' as a "manageable human resource phenomenon" to achieve prescribed outcomes, using insights from open systems thinking in cybernetics. Three main elements are placed in a linear arrangement: inputs, throughputs, and outputs, and understood in terms such as the application of knowledge and skills to transform the 'input factors' into tangible outcomes – managerially desired behaviours and goal attainment. Locating the definition organizationally, Shields (2007) explained that each of the systemic factors that may be subject to performance management interventions may be extended to include collective and, in turn, organization-wide dimensions, where managers take active steps to align people with processes and forming a technical system from which to deliver, desired levels of service delivery in cost effective ways.

In view of the dynamics in the modern day business environment, capacity building and manpower development is one of the key activities that any organisation must engage in if it hopes to survive. A capacity building and manpower development unit (training) is created in any organisation to coordinate all training activities of the organization. It has the responsibility of determining training and development need by deciding when and what kind of training, for whom, where, under what conditions, at what cost and by whom the training will be implemented. All these activities are necessary to enable the organisation derive the utmost benefits from its capacity building activities. However, many organisations fall short of focusing adequate attention on building adequate capacity among their workforce thereby inhibiting the productivity, efficiency, effectiveness and growth of the organization. The focus of this study therefore was to examine the perception of organisation managers about the relevance and contribution of capacity building to employee performance and overall organisation performance.

LITERATURE REVIEW

Definition of Capacity Building

Capacity is defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably. Capacity building is an evidence-driven process of strengthening the abilities of individuals, organizations, and systems to perform core functions sustainably, and to continue to improve and develop over time (Fy, 2012). According to Morgan (1998), capacity building is a risky, messy business, with unpredictable and unquantifiable outcomes, uncertain methodologies, contested objectives, many unintended consequences, little credit to its champions and long time lags. Capacity building activities involves strengthening organisations in the areas of administration, finance, human resources, and facilities. Capacity building is a complex notion-it involves individual and organisational

learning, is inevitably long term, and should be demand driven. If successful it contributes to sustainable social and economic development. Capacity building is the process of developing and strengthening the skills, abilities, processes and resources, that organizations and communities need to survive, adapt and thrive in the fast changing world. For the organization, capacity building may relate to almost any aspect of its works, improved corporate governance, leadership mission and strategy, administration (including human resources, financial management and legal matters), program development and implementation, evaluation, advocacy and policy change, marketing, positioning, planning, income generation etc. For the individual, capacity building may relate to leadership development, skills acquisition, speaking abilities, technical skills, organizational skills and other areas of personal and professional development (Linnell, 2008).

The Department For International Development (DFID) (2010) defines capacity building as enhancing the abilities of individuals, organisations and systems to undertake and disseminate high quality research efficiently and effectively. Capacity building efforts can be designed to serve individuals, organizations, geographical or interest communities, or the nonprofit sector as a whole. Furthermore, the intensity and duration of the effort can distinguish a capacity building engagement as either aimed at implementing new systems (short term) or achieving wider organizational change (long-term). These efforts can further be usefully classified based on the areas of organizational life they seek to affect: external relationships, internal structure, leadership, and/or internal management systems.

Why is Capacity Building needed?

The goal of capacity building, according to DFID (2010), is to facilitate individual and organisational learning which builds social capital and trust, develops knowledge, skills and attitudes and when successful, creates an organisational culture and a set of capabilities which enables organisations to set objectives, achieve results, solve problems, and create adaptive procedures which enable them to survive in the long run.

Staff capacity building has been identified as part of an organizational strategy to improve overall productivity, motivate staff to deliver high quality services and create an ongoing commitment to innovation and system improvement. Viewed from this perspective; staff training is an integral part of a larger human resources investment strategy designed to transform workforce service delivery system into "high performance" organizations that strive continuously to improve service quality and customer satisfaction. Most organizations also find out that staff training is essential to support several specific elements of system change as described here:

- Team-building training is often required to mould staff from a number of different partner agencies-each with its own identity, work culture, program rule and job expectation-into a

functioning career centre system with a shared customer-service approach and seamless service delivery.

- Staff often need training in computer literacy and specific computer skills, because services emphasizes the use of up-to-date information technologies to deliver customers services and support internal management functions.
- Staff usually requires training to move from narrow program-based job functions to the delivering of broader service functions that receive funding from a variety of program-based funding streams.

In addition to contributing to the development of technical outputs, human capacity building can directly benefit both the newly trained individuals and the organisation that they work for. The benefits to 'trainees' is the most direct link between capacity building and impact. The main benefits to trainees include improvements in confidence, competence, promotion and higher income (Templeton, 2009). Also, the benefits of capacity building can flow to the trained individual, other workers in the organisation, the organisation as a whole and communities. The community-level impact of the capacity built arises from the outputs generated (and adopted) when this capacity is used. Gordon and Chadwick (2007) state that as a rule of thumb, 'a worker's lifetime income is higher, on average, by around 10% for each additional year spent in formal education. At the organisational level, the efficiency of the organisation can be enhanced through the trainees' capacity-induced changes in practice and behaviour. This is reflected in increased efficiency in the provision of services or outputs; innovations in the type of services or outputs delivered and in the delivery process; in new and better R&D effectiveness and increased influence in the policy arena. As a general rule of thumb, workers tend to accrue around half of the productivity improvement from training, the other half being captured by the firm (Gordon and Chadwick, 2007). Systems and policy level capacity building activities improve the external environment in which organizations and individuals function, including structures supporting the way organizations interact, and/or policies and standards that must be adhered to. These may be at the national level or below. Organizational level capacity building activities improve the performance of internal organizational systems and processes, leading to stronger organizations with the ability to adapt and continue to develop over time. Individual/workforce level capacity building activities improve the performance of staff according to specific, defined competencies and job requirements (Fy, 2012).

According to Paul and Elizabeth (2004), the following are the four key elements that play a significant role in determining the scope, design, and ultimate success of any capacity building engagement:

- the desired outcome or defining goal;
- the change strategy selected to help realize that goal;

- the champions guiding the efforts, be they internal or external; and
- the resources—time, energy and money—invested in the process.

Letts, Ryan, and Grossman (1998) noted that the results of capacity building can be seen at three levels:

- improvement in the capacity of the organization to do what it already does (products/services delivery capacity),
- improvement in the organization's capacity to grow (expansion capacity), and
- improvement in the organisation's ability to sense needs for change and respond to them (adaptive capacity). All three are needed to produce high-performance levels over time.

METHODOLOGY

Survey research was employed for the study and data was gathered from 128 managers of randomly selected firms in south western Nigeria with the aid of structured questionnaire. Data collected were analyzed using descriptive statistics such as tables and percentages while Chi-square analysis and Analysis of Variance (ANOVA) were used to test the hypothesis formulated through STATA 10 version.

ANALYSIS OF DATA

Table 1- The impact of capacity building and manpower development on staff performance in business organisations.

S/N	QUESTIONS	SA	A	N	D	SD	TOTAL
1	Capacity building improves overall productivity and creates absolute commitment to innovation and system improvement	53 (40.94)	48 (37.80)	15 (11.81)	07 (5.51)	05 (3.94)	128 (100)
2	Capacity building and training are vital for effective performance of employees and enhance performance	75 (58.27)	44 (34.65)	1 (0.79)	05 (3.94)	03 (2.36)	128 (100)
3	Adequate training at regular intervals increase staff morale and motivation of workers	19 (14.17)	87 (68.50)	10 (7.87)	09 (7.09)	03 (2.36)	128 (100)
4	Capacity building programmes and training of employees kill obsolesce	58 (44.88)	52 (40.94)	05 (3.94)	06 (4.72)	07 (5.51)	128 (100)
5	To be able to use modern machine/equipment worker needs proper training on how to use them.	21 (15.75)	61 (48.03)	00 (0.000)	40 (31.50)	06 (4.72)	128 (100)
6	Lack of training opportunities can frustrate a worker and tower his/her performance	34 (25.98)	53 (41.73)	02 (1.57)	21 (16.54)	18 (14.17)	128 (100)

Note: The figures in bracket indicate the percentage while figures not in bracket indicate frequency

The analysis on Table 1 shows that 40.94% of the respondents strongly agree that the capacity building programmes and training given to employees improves overall productivity and creates absolute commitment to innovation and system improvement, 37.80% agree, 11.81% were not sure, 5.51% disagreed, and 3.94 strongly disagreed. This indicates that Capacity building improves overall productivity and creates absolute commitment to innovation and system improvement. Also, 58.27% of the respondents strongly agree that Capacity building and training are vital for effective performance of employees and enhance performance, 34.65% agree, 0.79% were not sure, 3.94% disagree and 5% strongly disagree. This indicates that capacity building and training are vital for effective performance of employees and enhance performance.

14.17% of the respondents strongly agree that adequate training at regular intervals increase staff morale and motivation of workers, 68.50% agreed 7.87% not sure, an 7.09% disagreed and 2.36% strongly disagreed. This indicates that adequate training at regular intervals increase staff morale and motivation of workers.

Also, 44.88% of the respondents strongly agreed that Capacity building programmes and training of employees kill obsolescence, 40.94% agreed, 3.94% were not sure, 4.72% disagreed and 5.51% strongly disagreed. This implies that capacity building programmes and training of employees kill obsolescence.

Furthermore, 15.75% of the respondents strongly agreed that for a worker to be able to use modern machine/equipment he /she needs proper training on how to use them, 48.03% agreed, 31.50% disagreed and 4.72% strongly disagreed. This implies that for workers to be able to use modern machine/equipment effectively and efficiently, they need proper training on how to use them.

Lastly, 25.98% of the respondents strongly agreed that lack of training opportunities can frustrate a worker and lower his/her performance, 41.73% agreed, 1.57% were not sure, 16.54% disagreed and 14.17% strongly disagreed. This implies that lack of training opportunities frustrated a worker and lowered his/her performance.

Table 2- Analysis of the significant relationship between capacity building and staff performance

S/N	Relationship	Pearson chi-square	Pr (value)	Remark
1	Q1 vs Q2	214.5245	0.000	Significant
2	Q1 vs Q3	292.8486	0.000	Significant
3	Q1 vs Q4	317.7096	0.000	Significant
4	Q1 vs Q5	196.0121	0.000	Significant
5	Q1 vs Q6	185.6323	0.000	Significant
6	Q2 vs Q3	241.0540	0.000	Significant
7	Q2 vs Q4	208.3731	0.000	Significant
8	Q2 vs Q5	197.7844	0.000	Significant
9	Q2 vs Q6	134.7855	0.000	Significant

S/N	Relationship	Pearson chi-square	Pr (value)	Remark
10	Q3 vs Q4	231.7403	0.000	Significant
11	Q3 vs Q5	226.7753	0.000	Significant
12	Q3 vs Q6	172.3451	0.000	Significant
13	Q4 vs Q5	182.7319	0.000	Significant
14	Q4 vs Q6	192.6682	0.000	Significant
15	Q5 vs Q6	193.3945	0.000	Significant
Mean		1.937008	2.149606	2.614173
		1.574803	1.850394	2.511811
		1.052194	0.8364583	1.215294
Standard deviation		0.8865815	1.077024	1.402187

Decision : Since the chi – square calculated ($\chi^2 - \text{cal}$) are greater than chi – square tabulated ($\chi^2 - \text{tab}$) which make all the figures to be highly significant with probability of f equal to 0.000. collectively, the null hypothesis is rejected. Therefore the alter native hypothesis is accepted that is there is significant relationship between capacity building and staff performance.

Table 3-Relationship between the capacity building and staff performance by ANOVA

Source	Partial SS	df	MS	F	Prob > F
Model	79.9227034	4	19.9806759	127.51	0.0000
Capacity building	79.9227034	4	19.9806759	127.51	0.0000
Residual	19.1166667	122	156693989	N = 128	
Total	99.0393701	126	.786026747		
R-squared 0.8070	Adj R-squared = 0.8007		Root MSE = .395846		

To confirm the significant relationship between capacity building and staff performance, Analysis of Variance (ANOVA) was also employed. Table 3 above shows that there is a positive relationship between capacity building and employee performance. 1% increase in the level of capacity building will result to 79.9% increase in the level of performance. Given the coefficient of determination (R^2) is 80.7%, the relationship is significant.

Given the adjusted R^2 significant 80.1%, it signifies that the independent variables in this model have been able to determine the positive effect of capacity building on employee performance to 80%. The F and probability statistics also confirmed the significance of this model.

CONCLUSION

This study examined the impact of capacity building on staff performance in selected organisations in Nigeria. Findings showed that there is a strong positive relationship between capacity building and staff performance in an organisation. This implies that capacity building enhances employee performance which ultimately translates to improved organisational

performance. Capacity building is considered an important management issue in any organisation because capacity building inputs and activities not only result in capacity-building outputs (in the form of new knowledge, skills and management capabilities), but also contribute to the realisation of other output targets.

It is therefore recommended that organisations should improve on their capacity building activities, so as to facilitate higher employee performance. Furthermore, Individual and workforce level capacity building activities should be within the context of and accompanied by strengthening of organizations and systems that will ensure the sustainability of activities, outputs, and outcomes.

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