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IMPACT OF MANPOWER DEVELOPMENT ON ORGANISATIONAL PERFORMANCE

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Modupe OLADIMEJI

Abstract: *The study is based on questionnaire administered on employees of drink producing company in Nigeria. This study examines the impact of manpower development on organizational performance. The sample size for the study is made up of one hundred and eighty seven (187) respondents. Descriptive and inferential statistics method was used to present and analysed the data collected through questionnaire. In testing the formulated hypotheses for this study both regression and correlation analysis was used. The research findings results indicated that there is a positive relationship between Manpower Development and Organizational Performance. The study suggests the need for continuous training and development of employees with focus on the competition, market dynamics, customer satisfaction, business and financial performance.*

Keywords: *Manpower, Development, Performance, Training, Career.*

JEL Classification: *J24, M12, M53.*

1. Introduction

The most effective strategy to improve manpower productivity is to devote resources for its development. Manpower is an important asset organization can leverage on for success and gain competitive edge in the turbulence environment in which the organization operates. Human resources is a key player in actualization of organization goals, it combine others resources together to achieve organizational set goals.

Development of the organizational manpower is a dynamic and evolving practice used to enhance organizational performance. Manpower development focused on turning out human resource that is needed for effective performance in the organization (Drucker, 1999). It focuses on equipping employees with new techniques that will enable them to perform effectively and efficiently (Lawal, 2006).

Emeti (2011) believes that performance should be measured since it helps to monitor employees and provide feedback information for management. Daleney and Huselid (1996) were of the opinion that organizational performance has to do with quality of service or product rendered, employees productivity and retention as well as the level at which the organization satisfies its customers. Bontis, Dragonetti, Jacobsen and Roos (1999) opined that, human resources of an organization have the capacity to bring innovative and creative ideas to the organization which is capable of bringing long term survival of the organization if well managed and motivated. Manpower is the basis of all resources use, it is the indispensable means of converting other resources to man kind's use and benefits. So how well we employ and develop human resources skills is fundamental in deciding how much will accomplish as a nation, man power is plot of every human institution. The concept of manpower development emerged as a strategy to enhance the capacity of available employees in organization in order to improve performance and productivity.

Agwu and Ogiriki (2014) were of the opinion that manpower development is the integrated use of training and development to improve effectiveness in organization.

Different studies have been carried out to consider the effect of manpower development on organizational performance (Agwu and Ogiriki, 2014; Rizov and Croucher, 2008; Shih, Chiang and Hsu, 2006; among others). Despite the establishment of these scholars that manpower development leads to increase in productivity and performance, managers still pay little or no attention to manpower development but focus

more on other resource. This practice renders organizations in Nigeria ineffective. Egwunyenga (2012), observed that lack of manpower development results into mal-administration and underperformance of the employees. Based on these assertions, it becomes pertinent to investigate the effect of manpower development.

Objectives of the study

- a) To examine the effect career advancement has on organization performance.
- b) To investigate the relationship between on- the- job training and organization performance.
- c) To determine the effect off- the- job training has on organization performance.

Research Questions

This study answers the following research questions;

- a) What effect do career advancement has no organization performance?
- b) What is the relationship between on-the- job training and organization performance?
- c) Do off- the- job training has affect organization performance?

Research Hypotheses

- a) H_0 : Career advancement has no effect on organization performance.
- b) H_0 : There is no significant relationship between on- the- job training and organization performance.
- c) H_0 : Off- the- job training has no effect on organization performance.

2. Literature review. Theoretical Framework - Human Capital Theory

The study is based on Human Capital Theory. This theory was proposed by Schultz in the year 1961. The theory argues that a person's formal education determines his or her earning power. Human capital theory holds that it is the key competences, skills, knowledge and abilities of the workforce that contributes to organisations competitive advantage. It focuses attention on resourcing, human resource development, and reward strategies and practices. According to Human Capital Theory, education is an investment because it is believed that it could potentially bestow private and social benefits. Human capital theorists believe that is relationship between education and earning power, which means, theoretically, that the more education one has, the more one can earn, and that the skills, knowledge and abilities that education provides can be transferred into the work in terms of productivity (Dae-bong, 2009).

Concept of Manpower Development

According to Schults (1993), definitions of manpower have shown some essential elements in enhancing organisations resources and help employees to improve productive of the business or organisation. In order to endure business effectiveness in organisations, the manpower becomes an asset and instrument used to grow productivity. This implies that manpower development could lead to better employees' productivity and ultimately improve organisation productivity. Rastogi (2002) stated that manpower is an important resource for organisations especially for employees' continuous improvement of knowledge, skills and abilities. Armstrong (2004) posited that human resource development is concerned with the provision of learning, development and training opportunities in order to improve individual, team and organisational performance.

Training and Development

Training and development are complementary parts of the same process. They are interlinked and interdependent, rather than sequential and hierarchical. Training and development is very crucial to the employees, the organization and their effectiveness (Devi and Shaik, 2012). Increasing job satisfaction and employee morality, enhancing the

employee motivation, improving the efficiencies in processes and financial gain, raising the ability to obtain and use new technologies, developing the innovation in strategies and products and reducing employee turnover are other important benefits of training (Mcnamara, 2010).

Career Advancement

Career advancement normally entails a clearly marked path of progression through the ranks of an organisation. It is based on merit without regard for race, gender, age or ethnicity. Deserving cases become eligible for advancement. Graham and Bennet (1995) noted that the prospect of career advancement is capable enough to motivates employees to give their best to the organization. Capelli and Hamori (2005) point out lack of career advancement for any reason damages a manager's chances of making it to the top. Gill and Kustron (2011) defined career development as a career planning in which there is a continuous process for individuals to develop his own occupational concept that will enable them to reach the peak of their career. Career advancement is the upward movement of employee in the organization.

Off-The-Job Training

Training which takes place in environment other than actual workplace is called off-the job training. Off-the-job training is usually designed to meet the shared learning needs of a group rather than a particular individual's needs. Lectures, computer-based training, games and simulations are the common forms of off-the-job training methods. The purpose of this method of training at a place rather than the work area is to give a peaceful domain to the employees where they can focus just on learning. Learning materials is provided to the trainees, for a complete theoretical knowledge. Usually training programs which are assigned by management, leads to greater employee motivation than those where attendance is optional. Employees take only those trainings seriously, where they are clear about the content, objectives and outcomes (Tai, 2004).

On-The-Job Training

The purpose of on-the-job training session is to provide employee with task-specific knowledge and skills in work area. The purpose of this training is to make the employees get familiar with the normal working environment that is during the training time frame, the workers will get the direct involvement of using of machinery, equipment, devices, material and so forth. The knowledge and skills presented during on-the-job are directly related to job requirements, job instruction technique, job rotation, coaching and apprenticeship training are the common forms of on-the job training methods. MburuMaina and Waithaka (2017) opined that on the job training equips employees with needed knowledge and skill to perform a specific task in the work area. Mentoring, apprenticeship, case study among others are different forms of on the job training. Tukunimulogo (2016) revealed that on the job training has the capacity to increase employees' performance. Ndunguru (2015) confirmed that on the job training has a significant effect on employee performance.

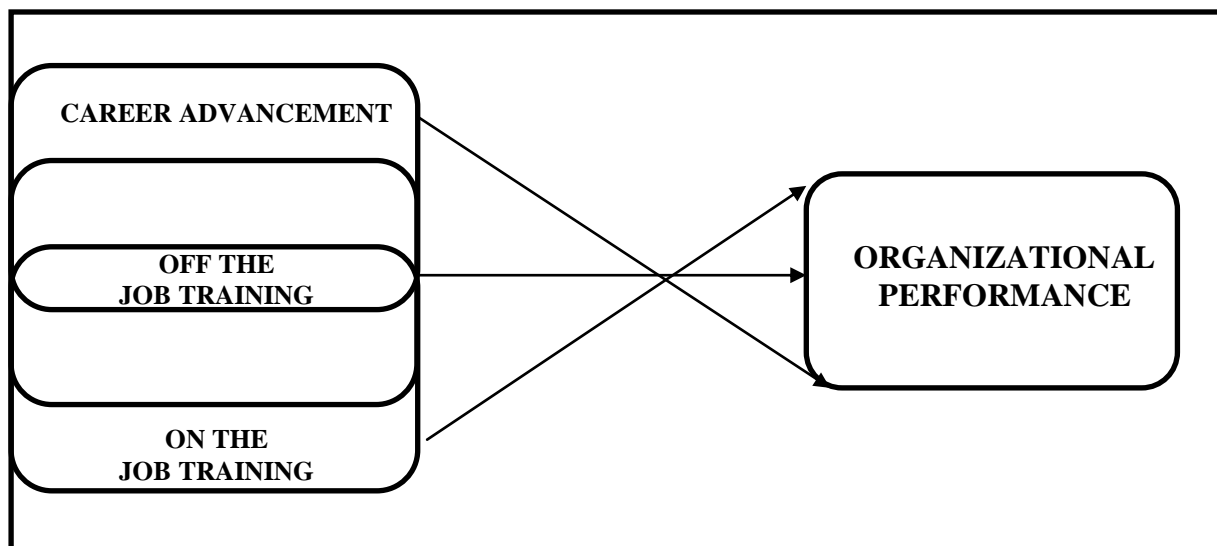
Organisational Performance

Performance of organisation depends on the knowledge and ability of its employees toward understanding the dynamism in the market. Brown (2008) defines performance as how well a person completes tasks and also the attitude with which he/she completes the tasks. Organization performance is an index that can be used to measure how healthy the organization is. Mwita (2000) explains organizational performance as the ability of an organization to achieve its set goals and objectives. Organization performance can be measured in terms of sales growth, financial performance, market share, customer satisfaction and retention.

Manpower Development and Organizational Performance

Manpower development equips employees with the necessary skills needed to perform effectively which translates to organizational effectiveness in the long run. Human resources development and organization performance are highly important and fundamental to good organization performance. Ogbu and Osanaiye (2017), in their study revealed that manpower development have a strong impact on organizational performance. Olusoji, Adedayo, and Godbless (2017) ascertain that manpower development helps in the actualization of organizational goals. Aigbepue and Mammud (2012) suggested that organizations should focus on manpower training to secure improvement in organizational performance.

Conceptual Framework



Source: the researchers, 2019.

3. Materials and Methods

The present study was limited staff of a drinks producing company in Lagos State, Nigeria. Primary data which was generated through self-administered questionnaires to the respondents. Yaro Yamane formula was used to determine the sample size of 200 from total population of 400 employees that work in the organization. Out of the 200 questionnaires that were administered, 187 were found useful for the study. SPSS package was used to analyzed data generated; both descriptive and inferential statistical tools were used in the analysis.

Results and Discussions

Respondents Demography

Table 1. Demography and socio Economic Characteristics of Respondents

	Frequency	Percentage (%)
Sex		
Male	114	61
Female	73	39
Total	187	100
Age		
Below 20	35	18.7
20 – 30 Years	79	42.2
31 – 40 Years	58	31

Above 40	15	8
Total	187	100
Marital Status		
Single	88	47.1
Married	85	45.5
Other	14	7.5
Total	187	100
Educational Qualification		
NCE	24	12.8
OND	38	20.3
HND	53	28.3
B.SC	64	34.2
Others	8	4.3
Total	197	100
Work Experience		
Below a year	30	16
1 – 5 Years	84	44.9
1 – 10 Years	48	25.7
Above 10 Years	25	13.4
Total	197	100

Source: Field Survey, 2019.

The table above shows the socio economic characteristics of the respondents. 61% of the respondents are male while 39% are female, which implies that male gender dominates the workforce in the case organization. Meanwhile, 18.7 % are below 20 years of age, 42.2% are between 20 and 30 years of age, 31% are between age 31 and 40 years of age while 8% are above 40 years, this implies that majority of the employees are between 20 and 30 years of age. The table also shows that 47.1% of the respondents are single, 45.5% are married while 7.5% of them are either divorce or widow/widower. This implies the workforce is dominated with single employees. Moreover, 12.8% of the respondents are NCE certificate holders, 20.3% hold OND certificate, 28.3% hold HND certificate, 34.2% hold B.Sc. certificate while 4.3% hold other certificates, this implies that B.Sc. holders dominates the workforce in the organization. Regarding years of work experience, 16% of the respondents have less than a year work experience in the organization, 44.9% have between 1 and 5 years work experience, 25.7% have between 6 and 10 years of work experience while 13.4% have work experience that is above 10 years. This implies that the organization is dominated by employees who have spent between 1 and 5 years in the organization.

Test of Hypotheses

Hypothesis 1

H₀: Career advancement has no effect on organization performance.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	26.327	1.663		15.831	.000
1 Career Advancement	.564	.113	.344	4.980	.000

R = 0.344, R² = 0.118, Adj R² = 0.113, F=24.801, Sig=0.000

Linear Regression technique was used to explore the effect of career advancement on organizational performance. From the table above, it can be seen that career advancement has a strong effect on organizational performance with a Beta Coefficient of 0.344, which is statistically significant as indicated by the p- value of 0.000.

The R square gives a value of 11.8%. This implies that career advancement account for 11.8% of the variation in the organization performance in the organization. The result from the table has a significance level of 0.000 which is less than 0.05. Therefore, the study rejects the null hypothesis and accepts the alternative hypothesis. Therefore, career advancement has effect on organization performance.

Hypothesis 2

H₀: There is no significant relationship between on- the- job training and organization performance.

Correlations

		On the job training	Organizational Performance
On the job training	Pearson Correlation	1	.337**
	Sig. (2-tailed)		.000
	N	187	187
Organizational Performance	Pearson Correlation	.337**	1
	Sig. (2-tailed)	.000	
	N	187	187

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the analysis as represented in the table above shows that there is a positive relationship between on-the-job training and organizational performance with r value of 0.337 which is significant at P value less than 0.05. The study thereby rejects the null and accepts the alternative hypothesis. Therefore, there is significant relationship between on- the- job training and organization performance.

Hypothesis 3

H₀: Off- the- job training has no effect on organization performance.

Coefficients^a

Unstandardized Coefficients		Standardized Coefficients	T	Sig.
B	Std. Error	Beta		
21.712	1.687		12.868	.000
.935	.121	.492	7.697	.000

R = 0.492, R² = 0.243, Adj R² = 0.238, F=59.237, Sig=0.000

Linear Regression technique was used to explore the effect of off-the-job training has on organizational performance. From the table above, it can be seen that off the job

training has a strong effect on organizational performance with a Beta Coefficient of 0.492 and a statistical significance of 0.000.

The R square gives a value of 24.3%. This implies that off-the-job training account for 24.3% of the variation in the organization performance in the organization. The result from the table has a significance level of 0.000 which is less than 0.05. Therefore, the study rejects the null hypothesis and accepts the alternative hypothesis. Therefore, off-the-job training has effect on organization performance.

4. Conclusion and Recommendations

The result from the study shows that manpower development variables used in the study has effect on organizational performance. Thus, judging from the findings of this study, the ability of any organization to improve on its career advancement, off-the-job-training and on-the-job-training will significantly improve organizational performance.

Based on the hypotheses that were tested in the study, the study concludes that manpower development has positive impact on organizational performance.

From the findings and subsequent conclusion of the study, it is important that organizations that wish to improve performance through manpower development should channel their focus and strategies towards the following recommendation;

- a) The firms must continually provide for improvement of employee career through advancement and secure a link to business performance.
- b) Provision should be made for adequate on-the-job-training. This has potentials of contributing to the performance of the organization
- c) Off-the-job-training should enhance in the organization in order to ensure a befitting organisational performance.
- d) Organizations should set aside, separate budget that will cater for manpower development.

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