

MANPOWER DEVELOPMENT AND EMPLOYEES' PERFORMANCE: QUALITATIVE ASSESSMENT OF SMALL AND MEDIUM SCALE ENTERPRISES ABUJA NIGERIA

Abstract

Manpower development is getting wider attention with increasing globalization and also the saturation of the job market due to the recent downturn caused by the recent economic recession in Nigeria. Developed and developing countries in the world have placed emphases on manpower development as instrument geared towards improving employees' performance by devoting necessary organisation resources towards manpower training and knowledge transfer. The focus group discussion qualitative method was adopted in this study. The purpose of the focus group discussion was to strengthen and corroborate evidence and findings from literature by the authors. Participants in the group discussion were randomly drawn from a group of stakeholders in the six area councils of Nigeria federal capital territory SMEs business. Based on the finds from the literature reviewed and FGD, this study, therefore, posited that manpower development leads to greater employees' performance. SMEs businesses should view manpower development as a fundamental response to the achievement of greater employees' performance. Specifically, SMEs organisations must invest necessary resources in developing manpower which tends to have a great impact on workers performance.

Key Words: Manpower development, training, knowledge transfer, and employees, performance.

Introduction

The modern global market where businesses are faced with stiff competitions, it is important that organisations truly leverage on the workforce as a competitive advantage. Manpower development as a strategy for improving workforce productivity in order to make it possible for a business to derive the higher value of organisations performance has become an important focus (Ofobruku and Nwankoby, 2015). Organisations strive to enhance their workforce through comprehensive manpower development programmes not only to achieve business goals but also for a long term survival and sustainability of the organisation. Therefore to achieve the business objectives, organisations needs to invest resources in order to ensure that employees have the required skills, and competencies they need to work effectively in a competitive and complex environment.

35 Currently, there exist several empirical proofs which advocate that Small and Medium
36 Enterprises (SMEs) has important roles in internal economic activities of nations (Tambunan,
37 2009). The internal economic activities initiated by SMEs are not restricted to their capability
38 to provide huge employments, but also to produce primary and secondary sources of income
39 for numerous businesses.

40 Several scholars have accepted the perception that manpower development remains a good
41 mechanism for enhancement of organisational productivity (Ofobruku, 2012). This implies that
42 manpower development has become an integral part of an overall effort by the business
43 organisation to achieve cost effective organisation productivity. Although there is a broad
44 assumption that manpower has positive effects on organisations' productivity, yet there is
45 paucity empirical data on how manpower development impact on SMEs in Nigeria federal
46 capital territory, Abuja coupled with the dwindling productivity fortune of SMEs in these past
47 years as reported by Abuja chambers of commerce and industry. Hence, this
48 study investigated the connection between manpower development and organisations'
49 productivity of SMEs in Abuja Nigeria. Therefore, the following research question was used
50 to guide our investigation: To what extent does manpower development (training, knowledge
51 transfer) impact on employees performance (achieving the objective of the unit, achieving
52 departmental goals')?

53 **Concept of manpower development**

54 According to Schultz (1993), the term "manpower" has been defined as a key element in
55 improving organisations assets and employees in order to increase productive as well as
56 sustain competitive advantages. In order to sustain competitiveness in organisations,
57 the manpower becomes an asset and instrument used to grow productivity. Manpower
58 development refers to processes that relate to training, coaching and other professional
59 initiatives in order to increase the levels of knowledge, skills, abilities, values, and social
60 asset of employees which will lead to better employees' productivity and ultimately improve
61 organisation productivity. Rastogi (2000) stated that manpower is an important resource for
62 organizations especially for employees' continuous improvement of knowledge, skills, and
63 abilities. Thus, the definition of manpower development referred to the improvement of "the
64 knowledge, skills, competencies, and attributes embodied in individuals that facilitate the
65 creation of personal, social and economic well-being" Organization for Economic Co-
66 Operation and Development (OECD, 2001).

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69 **Employees' performance**

70 Organisational learning is crucial and very vital in sustaining business entities and achieving
71 its organisational goals, these, in turn, are front-runners to better organisational performance.
72 Thus, several scholars and professionals consider manpower development to be an essential
73 aspect of competitiveness and connect it with knowledge acquisition and organisational
74 performance (Ofobruku, 2012).

75
76 Organizations to accomplish their goals, they must continually look for better ways to
77 organise and positively influence employees work capability. Performance is important to all
78 organizations. In fact, most of the organisations believe that they can, and will, improve at
79 what they do when employees' performances improve over time (Temple, 2002).
80 Organizational performance comprises the actual output or results of an organization as
81 measured against its intended outputs (or goals and objectives). "...performance is associated
82 with a quantity of output, quality of output, timeliness of output, presence/attendance on the
83 job, the efficiency of the work completed (and) effectiveness of work completed" (Mathis &
84 Jackson 2009).

85 Performance is the accomplishment of a given task measured against pre-set standards of
86 accuracy, completeness, cost and speed (Business Dictionary 2013). Based on the above
87 definitions, this study adopted the definition as given by (Ofobruku, 20...), which state that
88 employees' performance is 'execution of defined duties, achieving given task, meeting
89 requirement and objective of unit and achieving departmental goals',

90
91 **Theoretical framework**

92 The theory of manpower development is rooted from the field of macroeconomic
93 development theory (Schultz, 1993). From the perspective of Classical Economic Theory,
94 manpower considers labour as a commodity that can be traded in terms of purchase and sale.
95 This established theory very much emphasises on the taking advantages of labour by resources.
96 However, unlike the meaning traditionally associated with the term labour, manpower refers
97 to the knowledge, expertise, and skill one accumulates through education and training.
98 Highlighting the societal and economic significance of manpower principle, Becker (1993)
99 postulated that the most treasured of all resources is that investment in a human being. Becker
100 distinguishes firm-specific human capitals from general-purpose manpower. Examples of
101 firm-specific manpower include expertise obtained through education and training in
102 management information systems, accounting procedures, or other expertise specific to a

particular organisation. General-purpose manpower development is knowledge gained through education and training in areas of value to a variety of firms such as generic skills in human resource development. Regardless of the application, Becker considers knowledge training and training to be the most important investment in manpower.

Manpower development

- Training
- Education
- Knowledge
- Skills

The notion of performance functions as applied to knowledge transfer and training are the key assumption underlying this relationship is that investment in knowledge transfer and training results in increased learning, relationship represents the manpower development relationship and increased employees' performances. The critical assumption underlying this relation is that increased manpower development does, in fact, result in increased employees' performances.

Furthermore, there is a relationship between manpower development and increased employees' performances.

This study has capitalized on this theory for arguing that manpower development becomes an element in employees' performances.

Manpower Development and Employees' performance

The manpower development focuses two main components which are individuals and organizations. This concept has further been described by Garavan et al., (2001) that manpower development has four key attributes as follows: (1) flexibility and adaptability (2) enhancement of individual competencies (3) the development of organizational competencies and (4) individual employability. It shows that these attributes, in turn, generate add values to individual and organizational outcomes. There are various findings that incorporate manpower development with higher performance and sustainable competitive advantage (Noudhaug, 1998); higher organizational commitment (Iles et al., 1990); and enhanced organizational retention (Robertson et al., 1991).

Hence, all these debates fundamentally focus on individual and organizational productivity.

From the individual level, Collis and Montgomery (1995) point out that the importance of manpower development depends on the degree to which it contributes to the creation of a competitive advantage. Thus, as the uniqueness of human capital increases, the firm have

incentives to invest resources into its management and the aim to reduce risks and capitalize on productive potentials. Hence, individuals need to enhance their competency skills in order to be competitive in their organizations.

The manpower development theory has undergone a rapid development. Within its development, greater attention has been paid to knowledge transfer and training related aspects. This is much related to the individual perspective. Manpower development is any activity which improves the quality (productivity) of the employees. Therefore, knowledge transfer and training is an important component of manpower development investment. Likewise, training is linked to the longevity of companies (Bates, 1990) and a greater tendency to business and economic growth (Goetz and Hu, 1996).

Empirical review

Doucoulagos (1997) has noted manpower development as a source not only to motivate workers and boost up their commitment but also to create expenditure in R&D and eventually pave a way for the generation of new knowledge for the economy and society in general. Also, for small businesses, it is a valuable asset, which is positively associated with business performance. Finally, investment in training is desirable to form both a personal and social perspective. From the organizational level, manpower development plays an important role in the strategic planning on how to create competitive advantages. Following the work of Snell et al., (1999) it stated that a firm's human capital has two dimensions which are value and uniqueness. Organization productivity indicates that resources are valuable when they allow improving effectiveness, capitalizing on opportunities and neutralizing threats.

Furthermore, in this sense, firm's manpower development can add value if it contributes to lower costs, provide increased performances. Another study by Seleim, Ashour, and Bontis (2007) analysed on the relationship between manpower development and organizational productivity of software companies. They found that the manpower development indicators had a positive association on organizational productivity. These pointers such as training attended and team-work perform tended to result in better performers where more performance could be transformed to organizational productivity. This was also supported by Dooley (2000) who found a significant positive correlation between the quality of developers and volume of market shares. Based on the above arguments we can conclude that manpower development indicators enhanced the organisation productivity directly or indirectly.

A study by Bontis and Fitzenz (2002) found that the consequences of manpower development management and they established the relationship between manpower development

management and economic and business outcomes. In this study, a total of 25 firms in the financial services companies were selected. The study measured manpower development effectiveness with four metrics; revenue factor, expense factor, income factor and HC ROI. The fundamental aspects of any organization are to generate more revenue and income per employee. The development of manpower is positively influenced by the educational level of employees and their overall satisfaction. Therefore, development manpower has a direct impact on ROI of firms. A causal model using a set of cross-sectional data developed by Selvarajan et al. (2007) specifies that human capital improvement concretes ways for greater innovativeness and this, in turn, offers positive inferences on organization performances. In the meantime, organization productivity and manpower development could also be viewed in the context of high performance work systems (Hsu et al., 2007). It is argued that the formation and emphasis on the manpower development enhancement will result in high productivity or rather high productivity work systems.

Admittedly, manpower development and enhancement in organizations tend to create a significant contribution on organizational competencies and this, in turn, becomes a great boost for further enhancing innovativeness and the current literature to a large extent supports the fact that firm performance is positively impacted by the presence of human capital practices (Noe et al., 2003; Youndt et al., 2004). Some scholars even recommended that human capital development is a precondition to good financial performance (Delaney & Huselid, 1996) and in addition, the importance of organizational human capital with regard to organization productivity was further supported by Hsu et al. (2007). In addition, evidence shows that the relevance of manpower development to organization productivity has also become prevalent among the technology-based new ventures, and it seems that the use of human capital tool (emphasizing quality of employees) per se in small technology-based new ventures tends to have a great impact on the firms' success (Shrader & Siegel, 2007).

In the meantime, manpower development enhancement can also be viewed in the context of top management team (TMT). Heterogeneity or sometimes is called diversity in TMT will tend to lead to greater productivity because the argument is heterogeneity promotes various characteristics to be absorbed into the workforce team; this includes people of different age groups, functional backgrounds, education backgrounds, tenure, and gender. These characteristics have a positive impact on organization performance as argued under the upper echelon theory (Hambrick & Mason, 1984). Studies reveal that heterogeneity cultivates greater knowledge, creativity, and innovation among the team members (Watson et al., 1993; Maimunah & Lawrence, 2008). Hence, diversity is positively related to productivity. Even in

the context of an organization, the implementation of certain management approaches or philosophies also deals with the infusion of human capital (e.g. quality circles, a team of employee's experts), especially when faced with problems (Kanji, 1997).

Again, in a very broad discussion, especially in the context of total quality management (TQM), an organisation can be assessed using financial and non-financial performance. The financial performance includes employee productivity, defect rates and market share and non-financial performance that include workflow improvement, innovation, customer satisfaction and skills development (Kaplan & Norton, 1994). Besides this, multiplicity is able to entice and keep the best talent available; abridged costs owing to lower turnover and fewer litigations, enhanced market understanding, and marketing ability, better problem solving, greater organizational flexibility and better overall performance and improvement in decision making at the strategic level (Bantel, 1993). Heterogeneity is positively linked to better problem solving and offering creating solutions (Michel & Hambrick, 1992). A recent study in the related area also provides some insightful information about the heterogeneity effect on firm performance (Maran, 2008).

Undoubtedly, heterogeneity (in the form of manpower development) can be a significantly important input to the human capital development and enhancement as it makes organizations to be more creative and innovative for long term survival in their international and global markets (Grossman, 2000). Based on the above fact, the competency of TMT is reinforced by the input-based global human resources, improvement of human capital and output-based human capital development (Huang et al., 2002; Wu et al., 2002). However, some even argue that the relationship between innovative human resource practices (though manpower development practices are not directly involved) and organizational productivity could be described as 'non-linear' (Becker & Barry, 1996; Chadwick, 2007).

METHOD

The focus group discussion qualitative method was adopted in this study. The purpose of the focus group discussion was to strengthen and corroborate evidence and findings from literature by the authors. Participants in the group discussion were randomly drawn from a list of stakeholders in the six area councils of Nigeria federal capital territory SMEs business. The main factors considered while selecting participants were:

1, Knowledge of the subject.

2, Spread, in terms of geographical representation.

The procedure for the enlistment of participants included sending of official invitation letters and afterward telephone confirmation of appearance when invited for participation.

For the purposes of this discussion, six parallel FGD sessions of four participants each were held with the authors acting as the facilitator.

The objectives of the Focus Group Discussion were:

a) To provide a platform for stakeholders to discuss the barriers and success factors of manpower development and employees performance in Nigeria federal capital territory.

b) To strengthen evidence and findings from the literature by the authors.

The FGD conveyed a stress-free and semi-formal atmosphere that stimulated participants to easily air their opinions on the issue. A mix of small group activity exercises and full group discussion was adopted. Following an ice-breaker exercise and general introduction, a small group exercise was conducted to determine participants' levels of understanding of the subject. During the ice-breaking discussions, participants were divided into four groups of four discussants each ensuring that people who might know each other were separated. The exercises were recorded by audio as well as video means for subsequent transcription; small group activities were based on interactive team exercises. Such exercises were completed and collected after each session, and feedback to the full group recorded on flipcharts. The Focus Group was facilitated by the authors. The information gathered from the transcript, hand-outs, and flip charts during the small and whole group sessions were then synthesized to provide an overall position of the entire focus group on the relationship between manpower development and employees performance in Nigeria federal capital Abuja.

DISCUSSION OF RESULTS AND CONCLUSION

This study elucidates the relationship between manpower development and employees performances. As debated in the earlier discussions, investment in manpower development includes employees training, knowledge transfer and skills development programs which enhance manpower effectiveness. Based on the findings from the literature reviewed and FGD, this study, therefore, posited that manpower development leads to greater employees' performance.

This research explored the current literature on manpower development and employees' performance. Findings from literature that were reviewed also collaborated with the findings of FGD which revealed that there is strong evidence that 'manpower development' in SMEs businesses promotes innovativeness and greater employees' performances. The findings, furthermore, clearly substantiate the fact that employees' performance is positively impacted through investment in manpower development. In light of this, the improvement of

employees' performances in the organisation are related to manpower development, manpower development also transfigures the entire workforce into the most 'valuable assets' in order for the organization to flag ways for greater achievements through innovativeness and creativity. Hence, the business organisations should, therefore, come up with effective plan tailored towards investing on various aspects of manpower development as not only does it enable SME organisations to attain better performance but it also ensures organisations to remain competitive for long term survival.

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