



## Capacity Building and Employee Performance

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### Abstract

In this study, the primary objective was to ascertain whether capacity building has a significant effect on employee performance, with specific reference to MTN communication limited. The study considered the aspect of capacity building that deals with the development of the individual or a group of people. Using questionnaires, the researchers collected facts and analyzed them. The results of the study revealed that training when given properly has a significant effect on employee performance. However, it also established that training does not always answer job performance problems. Reward systems such as: salaries, bonuses and allowances were the major ingredients which fuel performance of employees.

**Key words:** Capacity building; Training; Development; Employee performance

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### INTRODUCTION

Employee training and development have been said to be indispensable components of strategic human resource management, as well as a means of reducing uncertainty in the market place and achieving organizational goals. The main goal of employee's development is to help the organization achieve its mission and business

goals (Pinnington & Edwards, 2000). Essentially, employee training and development provide sustainable opportunities for employees in accordance with their aspirations and talents for acquiring knowledge and know-how, and for applying them in favorable and equitable conditions of employment or self-employment to accelerate industrialization for the economic and social benefits of themselves and other communities or countries (UNIDO, 1995).

### 1. PURPOSE OF THE STUDY

The purpose of the study was to analyze the relationship between training and employee performance.

### 2. LITERATURE REVIEW

The following literature review will look at the theoretical and empirical issues pertaining to the study. It will specifically look at the definition of capacity building, training and development and employee performance.

#### 2.1 Capacity Building

Capacity building has different meanings and interpretations depending on who uses it and in what context it is used. It is generally accepted that capacity building as a concept is closely related to education, training and human resource development. This conventional concept has changed in recent years towards a broader and more holistic view, covering both institutional and country specific initiatives (Williamson, et al, 2003).

Groot and Molen (2000) defined capacity building as the development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes that are locally meaningful. This is a broader approach

while still focusing mainly on education, training and human resource development. Therefore, based on this definition, capacity building for employees in a broad sense may refer to improvements in the ability of all employees to perform appropriate tasks within the broader set of performance standards of the organization.

According to United Nations Committee of Experts on Public Administration (2006), capacity building takes place at three levels, that is, at the individual level, an institutional level and the societal level. Capacity building on an individual level means the development of conditions that enable individuals to build and enhance existing knowledge and skills. Additionally, it requires the conditions that will allow individuals to engage in the process of learning and adapting to change (UNCEPA, 2006).

Institutional level capacity building should involve modernizing existing institutions and supporting them in forming sound policies, organizational structures, and effective methods of management and revenue control. The establishment of strong interactive public administration system that receives feedback from the population and makes public administrators more accountable and responsive is the goal of societal level capacity building (UNCEPA, 2006).

## 2.2 Employee Training and Development

An organisation is only as effective as the people working in it. It is a fact that the provision of efficient services by any organization depends on the quality of its workforce. Training and development of personnel according to Bratton and Gold (2003) comprises the procedure and processes that purposely seek to provide learning activities to enhance skills, knowledge and capabilities of people, teams, and organizations so that there is no change in action to achieve the desired outcomes. It is literally impossible today for any individual to take on a job or enter a profession and remain in it for years with his skills basically unchanged. Employee training and development is not only desirable but it is an activity which management must commit human and fiscal resources if it is to maintain a skilled and knowledgeable personnel. Personnel training and development is a process of altering employee's behaviour to further organizational goals.

Cole (1993) defines training as any learning activity which is directed towards the acquisition of specific knowledge and skills for the purposes of an occupation or task. The focus of training is the job or task. Development on the other hand he said is any learning activity which is directed towards future needs rather than present needs and which is concerned more with career growth and immediate performance. The focus of development tends to be primarily on an organisation's future manpower requirements, and secondly, on the growth needs of individuals in the workplace. Development is the

acquisition of knowledge and skills that may be used in the present or future. This is more long term focused. It is a comprehensive term used to describe all the different ways in which people can be encouraged to increase, update and adopt their knowledge, skills, personal abilities and competencies. He said, development has a wider focus, long time frame and broader scope.

According to Cole (2002), the training policy of an organisation may include a range of policies dealing with human resources. The policy statement sets out what the organisation is prepared to do in terms of developing its employees and it must support the organizational mission, goals and strategies. The policy statement must be defined in clear terms and must also be available to all for references. Some organisations have a tradition of growing their own managers and specialist by providing a substantial internal training to sustain all their needs (Noe, 1999). Other organisations contract their training to external providers such as colleges, universities, consultants and private training organisations. There are, however, other organisations that adopt a mid-way position, providing induction training and job training internally but contracting out management and supervisor training.

## 2.3 Employee Performance

Cascio (1992) refers to performance as an employee's accomplishment of assigned tasks. He posited further that pre-determined standards are set against which actual performances are measured and that without any rule of measurement it will be difficult to assess performance. In other words before claims can be made that people are under-performing then there must be some performance expectations. The objective of employee performance analysis exercise is to review employee performance against standards set and identify strengths and weaknesses of individuals both in terms of personal characteristics and delivering skills (Goss, 1994). It is then a question to undertake individual assessments and follow this with a development plan so as to achieve higher productivity and a results yielding team.

It is widely assumed that the improvement in the skills and abilities of workers results in improved employee performance. While there are few careful studies examining the important connection between employee development programs and improved performance, a small group of studies do indicate that employee development programs can have positive effect on performance.

Joyce and Glynn (1989) found that a particular employee development approach, given time and support for full implementation, had direct, dramatic effect on performance. Further studies of this type are needed to support what is generally believed to be true. Employee development can and does have impact on staff performance. There is virtually no question that effective development programs do change the

performance of employees. Whether training program, individual inquiry or any other model outlined earlier, employee development continues to be a critical element that contributes to worker effectiveness and overall performance improvement.

In reaction to poor performance issues, companies will sometimes offer their employees top-notch training that has little or no effect on the participants' job performance. Management may blame the ineffectiveness of the training on the training program or the trainer, when in fact the training effort was not the correct resolution to the problem in the first place. If training is definitely not the answer, the trainer must identify the root cause (or causes) of the problem and pass this information on to management (Gupta, 1999).

### 3. METHODOLOGY

The descriptive survey research design was adopted for this study. The target population consisted of all employees of MTN limited in Accra. MTN limited is Ghana's leading telecommunication company. MTN limited currently has over eleven million subscribers in Ghana. Two trained research assistants assisted in data collection. Questionnaires were administered in the months of January and February, 2012. The researchers

gave the respondents two weeks to answer the questions. Simple random sampling was used to select the sample. All the fifty-six (56) questionnaires administered were retrieved after the two week period. Statistical tools such as Cross Tabulation and Pearson's chi square were used to analyze the data.

### 4. RESULTS AND DISCUSSION

The objective was to analyze the relationship between training and employee performance. It is widely assumed that improvement in the skills and abilities of workers results in improved performance. With respect to this objective the following hypothesis was formulated:

H<sub>0</sub>. Training does not have an effect on performance.

H<sub>1</sub>. Training has an effect on performance.

Data on training and performance were cross tabulated. On the side of training, respondents were to indicate with a yes or a no answer if they have had any training since the time of their appointment into the organisation. On performance, respondents were made to indicate the extent of influence training had on their performance thus: greater improved performance, an improved performance or little effect on performance. The cross tabulation results are displayed in Table 1.

**Table 1**  
**Cross Tabulation of Training and Performance**

		Performance			Total
		Greatly improved	Improved	Little effect	
Training	Yes count	6	5	6	37
	% within Training	16.2	67.6	16.2	100
	% within Performance	50	80.6	46.2	66.1
	Total	10.7	44.6	10.7	66.1
	No count	6	6	7	19
	% within Training	31.6	31.6	36.8	100
	% within Performance	50.0	19.4	53.8	33.9
	Total	10.7	10.7	12.5	33.9
	Total	12	31	13	56
	%withinTraining	21.4	55.4	23.2	100
%withinPerformance	100	100	100	100	
Total	21.4	55.4	23.2	100	

Out of the 56 respondents, 37 have had training while 19 have not had training. Of those that have had training 83.8% agreed that training has either improved or greatly improved their performance while only 16.2% were of the opinion that training has had little effect. Fifty percent (50%) of those whose performance greatly improved have had training whilst 80.6% who said their performance had improved have also received training. It can therefore be observed that training appears to have effect on performance. This is confirmed by the results of the chi-square test depicted in Tables 2 and 3.

**Table 2**  
**Pearson Chi-Square Test**

	Value	df	Asymp. Sig (2-sided)
Pearson chi-square	6.620	2	.037
Likelihood ratio	6.700	2	.035
Linear by linear association	.077	1	.782
Number of valid cases	56		

**Table 3**  
**Phi and Cramer's V Test**

	Value	Approx. Sig.
Norminal by Phi	.344	.037
Norminal cramer's V	.344	.037
Number of valid cases	56	

The Pearson chi-square statistic of 6.6 and Phi and Cramer's V of 0.34 were all significant at the 5% level (P value) = 0.037. With the evidence revealed so far, it could be summarized that training has significant effect on performance. Based on the test, the null hypothesis ( $H_0$ ) is rejected. We therefore conclude that training has significant effects on performance. This supports what Joyce and Glynn (1989) discovered that a particular staff development approach, given time and support for full implementation, had direct dramatic effect on employee performance.

In order to determine whether employees would perform creditably when given the right training, a question was asked for respondents to express their views. Out of the fifty-six (56) respondents interviewed, (46) representing (82.1 %) were of the view that to a high extent, employees will perform creditably when given the right training. This is consistent with Gupta (1999) when he acknowledged that not all performance challenges could be addressed by training, however, if training is the cause of the under-performance problem, then the right training must be implemented. Table 4 shows the results of the responses.

**Table 4**  
**How Employees will Perform when Given the Right Training**

Extent	Frequency	Percentage (%)
Excellent	1	1.7
Very high	1	1.7
High	46	82.1
Average	8	14.2
Below average	2	3.5
Total	56	100

In order to know whether training could be a cause to any under-performance problem, respondents were questioned to give their comments. Out of the 56 respondents 87.5% were of the opinion that they could not associate training to be the cause of any under-performance problem among the employees of the organization. When respondents were further asked to state which factor(s) might possibly cause any under-performance problem among employees, majority carried the view that employees lack better conditions of service and that if these conditions are improved, performance of individuals would as well improve. They explained this with the facts that majority of the employees presently at post had attained first degree. Additionally, that the organization has been organizing in-service training programmes from time to time for them.

Respondents were further asked to give some practical ways in which training has been of help to them especially pertaining to the work they do. The general views were: that they have acquired more skills and have become more abreast with most of the computer application software which helps them in their work.

## CONCLUSION

The study was about capacity building and employee performance. The objective was to analyze the relationship between training and performance. It is widely assumed that improvement in the skills and abilities of workers results in improved performance. That is to say that there is a relationship between training and workers performance. Using the chi-square test it was discovered that training has a significant effect on performance as both Pearson and Phi and Cramer's V test were all significant at the 5% level. However, training does not always answer job performance problems as 87.5% of the respondents could not associate training to any underperformance problems among the employees of the company. Gupta (1999) suggested that even when training is the cause of the under-performance problem, the right training must be implemented. It rather came to light that reward systems such as: salaries, bonuses and allowances were the major ingredients which fuel performance of employees. Respondents indicated that improvement in their conditions of service would positively influence their performance.

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