

# The Effect Of Employee Development On Performance Of Public Sector Organisations In Ghana: Evidence from Controller and Accountant General's Department, Accra

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**Abstract:** The purpose of this study is to investigate the effect of employee development on organizational performance in Ghana's public sector, using the experience of Controller and Accountants General's Department (CAGD). The relevant data for the study were collected from CAGD employees, Accra, using a cross-sectional survey design. Sixty-five employees were selected for inclusion in the study using convenience sampling method. In order to achieve the research objectives, the researchers used Pearson's correlation and simple linear regression as analytical tools to analyse the data. The research hypothesis tried to determine if employee development would have significant and positive effect on organizational performance. The result indicated that employee development has a significant negative effect on organizational performance. This research outcome contrast the overwhelming significant positive effect found by previous empirical studies in the area. The researchers made recommendations regarding this result for policy formulation and implementation.

**Keywords:** Employee development, Organisational performance, Public Sector, Accra-Ghana.

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## I. INTRODUCTION

The success of any organization in the contemporary business world depends on the quality of human resources available to it to initiate and implement its policies and programmes. According to Solkhe and Chaudhary [1], human resource is the most vital factor of production and labour productivity. They also maintained that a positive future-oriented human resource development is essential for the efficiency and effectiveness of public sector employees. In line with this, Appah, Coleman and Busine [2] pointed out that organizations all over the world invest several millions of money on training and development of human resources for the performance of their respective organizations. This demonstrates the importance organisations attach to their human resource in the achievement of their corporate goals.

According to Saraswathi [3], human resource development in organizational context is a process by which the employees of an organization are aided in planning a way to: obtain or hone capabilities required to perform various functions associated with their present or expected functional roles; develop their general capabilities as individuals and discover and exploit their own inherent potentials for their own, and, or organizational development processes; develop an organizational culture in which supervisor-subordinate relationship is positive or strong; teamwork and collaborations among sub-units are strong and contribute to the professional well-being, motivation and the pride of employees. Human resources include knowledge, skills, abilities and experience controlled by an organization that enables it to improve upon its performance, competitiveness, innovation, efficiency and effectiveness. This is because, employees skills, knowledge and abilities are among the most distinctive and renewable resources upon which an organization can draw their strategic

management and comparative advantage. Development must embrace all employees in the organization and must aim at challenging all to growth and self-development. Similarly, Nwuche and Awa argued that employee development improves the knowledge base of organizations' members, a precursor of organizational performance [4].

In the view of Ricardo and Wade [5], performance measures could include result-oriented behaviour (criterion-based) and relative (normative) measures, education and training, concepts and instruments, including management development and leadership training, which were the necessary building skills and attitudes of performance management. Hence, the term performance is a broader based concept which includes effectiveness, efficiency, economy, quality, consistency behavior and normative measures. Organisational performance can also be defined as the organisation's ability to attain its goals by using human resources in an effective and efficient manner. The emphasis on employee development in organizations reflects the view that market value depends less on tangible resources, but rather on intangible one, particularly human resource [6]. However, Bhatti and Qureshi [7] stated that one of the leading challenges in management has been implementing effective employee development programmes to enhance performance.

As a result researchers in Human Resource Management have stressed on effective employee development policies and programmes. Accordingly, Luthans et al. [8] made the submission that, optimal use of human resource can be a key source of competitive advantage because it is difficult for competitors to replicate. This resource-based view has led to considerable attention in employee development focusing on performance. According to Rowden and Conine [9], a large part of the workers sense of job satisfaction and performance can be attributed to workplace learning opportunities they benefit from. The absence of appropriate and sufficient staff development programmes or mechanisms may therefore accounts to a large extent for the poor performance of employees in organizations.

Indeed, various studies confirmed this assertion as shown by the overwhelming evidence of positive effect of employee development on performance they found. Unfortunately, majority of these studies were conducted in foreign countries; in cultural and environmental contexts which are believed to be different from that of Ghana and her public sector. Studies examining employee development and organisational performance in Ghana's public sector are therefore rare. The few available studies, for example, [10], [11], [12], [13] also did not focus on employee development but rather, they examined employee training or training and development as if they were single concepts. Much of the focuses of these limited studies were also on the private sector or profit making organisations. The public sector is thus, neglected to a large extent. This means that there is a huge gap in the literature on the effect of employee development on organisational performance with respect to Ghana's public sector. It is against this backdrop that the researchers' interest is attracted to investigate the effect of employee development on organisational performance in Ghana's public sector using the experience of Controller and Accountants' General Department (CADG), Accra.

The following presented the research hypothesis, literature review, research methodology, analysis and discussion of the research findings, conclusion and recommendations.

### **1.1 Statement of Hypothesis**

- H<sub>0</sub>: Employee development does not have significant positive effect on organizational performance of CAGD, Accra.
- H<sub>a</sub>: Employee development will have significant positive effect on organizational performance of CAGD, Accra.

## **II. LITERATURE REVIEW**

The effect of employee development on organizational performance has been extensively studied in the recent past. Ebimobewe, Feli and Wisdom [14] examined human resource development on the performance of public sector accountants in Nigeria. To achieve the objective of the study, primary and secondary data were used. The primary data were obtained through a well structured questionnaire administered to 119 public sector accountants in Bayelsa State and the data obtained were analyzed with econometric model of multiple regression, granger causality test and diagnostic test. The study found that job training, performance appraisal; career planning and reward and employee welfare as employee development strategies have positive effect on the performance of public sector accountants in Nigeria.

Khan [15] studied the effects of human resource development practices on organizational performance in oil and gas industry in Pakistan. A total of 150 managers of 20 randomly selected firms responded to self-reported questionnaire. Factor analysis and regression analysis results showed that human resource development practices have positive and significant effect on organizational performance. Abbas and Yaqoob [16] also examined the effect of leadership

development in employee performance in Pakistan. The study was conducted considering five factors of leadership development. These are coaching, training and development, empowerment, participation, and delegation. It was found that the combined effect of these factors influence employee performance by 50%. However, the 50% of the contribution towards employee performance other than leadership factors can be the result of other factors; attitude, commitment, motivational factors, and trust in the organization, and other factors such as compensation, reward and bonuses etc. can also increase employee performance. The five variables collectively as leadership development factors prove a synergic effect and increase the overall employee performance which is an indicator of overall organisational performance.

Singh [17] also examined the role of training and development as a prominent determinant for improving human resource productivity. He employed questionnaires and personal interview with human resource managers; and training and placement officers. He found in his study that training and development plays a very important role in improving the productivity of human resources. Batool and Batool [18] analysed the effect of employee training and development on competitive advantage to an organisation. The study's population consisted of 1300 low and middle level employees out of which 250 employees were selected for data collection. Quantitative techniques such as descriptive frequencies, percentages, standard deviations, mean, correlation, regression and ANOVA were used for the analysis of the data. The results revealed positive effects of training and development on organisational competitive advantage.

Several other researchers also found positive effect of employee development on performance. For example, Lopez, Montes- Peon and Vazquez-Ordas [19]'s studies in Spain show that high performance human resource practices have a positive effect on organizational learning, which in turn has a positive influence on business performance. Katou and Budhwar [20] in their study of 178 Greek manufacturing firms found support with the universalistic model and reported that human resource development policies of recruitment, training, promotion, incentives, benefits, involvement and health and safety have positive effect organizational performance. Tessema and Soeters [21]'s study of human resource and performance in Eritrea reported that successful implementation of human resource practices could enhance individual and the civil service organizational performance in Eritrea. Tsai [22]'s study in Taiwan found that, effective use of employee empowerment practices, a dimension of employee development has positive effect on organizational performance.

Clearly from the above, there is overwhelming evidence of positive effect of employee development on organisational performance. However, most of these studies were carried out in other socio-cultural environments. Also, only few considered public sector institutions. This means that there is a gap in the literature on the topic with regard to Ghana and public sector organisations in general. Therefore, this research was conducted by the researchers in order to bridge this research gap by examining the effect of employees' development on performance of public sector organisations in the Ghanaian context using the experience of Controller and Accountant General's Department, Accra.

### **III. RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The researchers adopted a cross-sectional survey design. This kind of research design gave the researchers the chance to collect data from participants at a point in time. Quantitative technique was employed in this study. The use of the quantitative technique enabled the researchers to use questionnaires to collect numeric data to achieve the objectives of the topic under study. It is causal and explanatory in nature, as it sought to ascertain the causes of variations in one variable (organisational performance) by another (employee development).

In this study, *organisational performance* is defined by the researchers as the efficiency and effectiveness by which organisations undertake investment projects (such as investment in technology, research and development), retain their employees or talents to deliver quality service to satisfy their target stakeholders in a transparent manner.

*Employee development* is also defined in this study as the use of the use of strategies such as career planning, job rotation, coaching, mentoring, job training, and proficiency courses such as technical courses and professional certifications to improve the current and future job performance of employees. It also involves existence of a cordial atmosphere in organisations that encourage employees to add value to themselves to enhance their current and future goal attainment in a cost effective ways.

### 3.2. Population and Sampling

The population of interest for this study consisted of all the employees at Controller and Accountant General Department in Accra who have undergone or benefited from some development activities or programmes. In all, sixty-five (65) participants from the various departments consisting of human resource, administration, payroll processing division, finance section, procurement and cashier office participated in the study. Convenient sampling technique was adopted for selecting the research participants. Convenient sampling procedure helped researchers to obtain the employees who have benefited from a development programme and are most handily available and willing to serve as a participant in the study. In the views of Kumar and Udayasuriyan, there will be no bias in the responses in using the convenient sampling, since the respondents will voluntarily participate in the survey [23].

The Table 3.1 showed the research participants' details:

**Table 3.1: Frequency and Proportion of the Participants' Demographic Information**

Particulars	Frequency	Percentage	N
<b>Age:</b>			
=Less than 20yrs	18	27.7	
=20-40yrs	41	63.1	
=41-60yrs	4	6.2	
=61yrs and above	2	3.0	65
<b>Marital Status:</b>			
=Single	36	55.4	
=Married	24	36.9	
=Divorced	4	6.2	
=Widow/Widower	1	1.5	65
<b>Educational level:</b>			
=SHS/O-Level	1	1.5	
=Diploma	9	13.8	
=HND	8	12.3	
=Degree	33	50.8	
=Masters	5	7.7	
=Professional	9	13.8	65
<b>Sex:</b>			
=Male	37	56.9	
=Female	28	43.1	65

Source: Field survey data, 2013

### 3.3 Instrumentation

The instrument for the study was questionnaire which was adapted from literature. The instrument was in three sections; employee bio data, organisational performance, and employee development. Section ‘A’ collected data regarding organisational performance. The participants were asked to indicate their level of agreement or disagreement by choosing from 1 to 3. Where 1=Yes, 2=Not sure and 3=No. There were eight questions in this section, and were adapted from Oseyemi [24]’s study. Section ‘B’ collected data on employees ‘development. The participants were asked to also indicate their level of agreement or disagreement by ticking only one answer in each case from 1-5 on a Likert Scale with 1=strongly disagree to 5=strongly agree. There were eight questions in all in this section. The questions were adopted from Sawalha, Zaitouni and Elsharif [25] and Rahman and Shah’s study [26] and modified to fit the current study. Section ‘C’ collected data on employees’ demographics such as sex, age, educational qualifications and marital status.

### 3.4 Data Collection and Analysis

The researchers collected primary data for the study. The researchers first asked permission from the human resource unit of CAGD before administering the questionnaires to collect the required primary data for the study. The data collected by researchers on employee development and performance were analysed based on the objective of the study. With the helped of the Statistical Product and Services Solution (SPSS) version 16.0, the researchers generated descriptive statistics such as charts, frequencies and percentages and use them to present the research participants’ demographic information. The study also used inferential statistics like Persons’ Correlation and simple linear regression. The Correlation analysis was employed to conduct preliminary analysis of the association between the two variables. The regression analysed was used to establish the causal effect of employee development on organisational performance.

## IV. PRESENTATION AND DISCUSSION OF RESULTS

This section of the research report presented the statistical tests carried out. It described the results and also discussed the findings.

### 4.1 Test of hypothesis

H1: Development does not have significant positive effect on organizational performance at CAGD.

#### 4.1.1 Correlation Analysis

The researchers conducted a preliminary investigation on the hypothesis stated above by using Pearson’s correlation coefficients. The Pearson product-moment correlation coefficient (r) was used to establish the association between the variables. The Table 4.1 presented the correlation results.

**Table 4.1: Pearson’s Correlation Results On the Relationship between Development and Organizational Performance**

Measures	1	2
Development	-	-0.326**
Organizational performance	-	-

\*\* Correlation is significant at the 0.01 level (1-tailed)

From Table 4.1, there is a significant negative relationship between employee development and organizational performance at CAGD ( $r = -0.326, p < 0.01$ ). From this result, the moderate or medium relationship is said to exist between development and organizational performance.

#### 4.1.2 Regression Analysis

The hypothesis was further tested using simple linear regression to establish the causal effect of employee development on organisational performance at CAGD. The detail results are illustrated in Table 4.2 and Table 4.3

**TABLE 4.2: The Result Of The Simple Linear Regression Of The Effect Of Employee Development On Organisational Performance At Cagd**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	16.370	1.545		10.597	.000
DEVELOPMENT	-.156	.057	-.326	-2.737	.008

a. Dependent Variable: PERFORMANCE

As shown in the Table 4.2, employee development has significant negative effect on organisational performance at CAGD, Accra ( $\beta=-0.326$ ,  $p<0.05$ ).

**TABLE 4.3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.326	.106	.092	2.95260

a. Predictors: (Constant), DEVELOPMENT

The result in Table 4.3 further showed that employee development only accounted for 10.6% variations in organizational performance, and the rest are explained by other factors.

#### 4.2 Discussion

The results showed that there is a significant negative correlation between development and organizational performance ( $r= -0.326$ ,  $p<0.05$ ). It was further found that employee development has a significant negative effect on organisational performance ( $\beta=-0.326$ ,  $p<0.05$ ). Also the result has shown that that if development efforts of organisations increase by 1%, organizational performance will decrease by 10.6%. This research result is in contradiction with the overwhelming positive effect of employee development on organizational performance as found by previous empirical researchers such as Ebimobowei et al. [14]; Batool and Batool [3]; Abbas and Yaqoo [1], and others. This outcome could be possibly being the case that employees of the organisation are developed in areas that do not significantly add value to overall performance of the organisation. Also, in the short-run, cost of development could account for the current turn of events. But in the long term, this might not be so. Some initiatives of such employees can take a long time to benefit the organisation. In that case, their overall contribution to the organisation is most likely to outweigh the development expenditure incurred by the organisation on them in the long-run. In addition, it is possible that, employees who took development programmes acquired special skills which can only be applied to benefit the organisation, if they have the necessary resources and leadership support. Thus, lack of required resources and leadership support can make a highly developed employee contribute less to the organisation.

### V. CONCLUSION AND RECOMMENDATIONS

This study offered more insight in decision making regarding investment in development of employees. Based on the research findings, it is clear that development does not always lead to improved performance as popularly claimed. Since the motive of most organisations for investing in the development of their workforce is to enhance performance, it is recommended that managers should identify only those employee development programmes that are central and can add value to the organisation. Again, managers should formulate policies to ensure that their development strategies produce the desire results. Mentors and implementers of employee development programmes must make conscious effort to understand the individual differences of their mentees or trainees as well as their motivational needs so as to tailor it to their development need in order to produce maximum impact on their employees.

In addition, employees who are developed must be given the requisite resources to work with and the necessary management or leadership support to enable them to translate their new skills acquired from the development programmes into initiatives and programmes that can benefit the organisation. When these things are done, organisations will benefit greatly from the investment they make in the development of their employees in form of increased performance.

Since CAGD used for the study is a non-profit oriented organisation, generalization of the study's finding may be limited with regards to profit making organisations in particular. Therefore, it would be worthwhile conducting similar study using profit making organisation(s) with only management staff as target population. More so, a future studies may investigate the effect of management development instead of employee development on organisational performance. Such studies should exceed operatives and junior employees. Also, the study used a non-probability sampling and a relatively small sample size. This also serves as a limitation to this study, as it cannot be generalised to other public sector organisations. It is therefore recommended that future studies be conducted on the topic using probability sampling and a larger sample size.

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