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Employee Development and Effectiveness of Manufacturing Companies in Rivers State

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ABSTRACT
This study examined the relationship between employee development and organizational effectiveness of selected manufacturing companies in Rivers State, Nigeria. The measures of organizational effectiveness are adaptability and goal attainment. The study adopted cross-sectional survey design while the target population of the study was 190 managers and supervisors from the 10 selected manufacturing companies in Rivers State that have been in operation for ten years and above. The sample size for this study was 129 and it was obtained using the Taro Yamane sample size derivation formula and a well-structured questionnaire was distributed randomly among the management staff in the selected manufacturing companies. Data analysis was carried out using Spearman Rank Order Correlation Coefficient for testing the hypotheses formulated for the study in chapter one with the aid of the Statistical Package for Social Sciences (SPSS) version 2. The study recommended that Manufacturing companies should implement employee development planning policies towards effective succession planning as it significantly influences organizational effectiveness of selected manufacturing companies in Rivers State, Nigeria.
Keywords: Organizational Effectiveness, Employee Development, Adaptability, Goal Attainment.

INTRODUCTION

All organizations want to be effective, even in current environment which is highly competitive. Therefore, companies irrespective of size and market strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome these challenges, companies should create a strong and positive relationship with its employees and direct them towards task fulfilment (Nworgu,2008). In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance. Nevertheless, just a few organizations consider the features of their leadership and successive replacements as being their main asset, capable of leading them to improved levels of effectiveness or if not managed properly to decline (Nworgu, 2008).

The early approach to organizational effectiveness which probably lasted through the 1950 was innocently simple (Robbins, 2012). Different definitions of organizational effectiveness exist and over-time have evolved to capture or address unique features of various distinct context. From a research perspective, organizational effectiveness requires multiple criteria. This is as different organization functions have to be evaluated using different characteristics and as such organizational effectiveness must consider both means (process) and ends (outcomes). The point is that evaluating the effectiveness of

an organization is a widespread and on-going research activity. In general, organizations survive to the extent that they are effective (Field, 2002) and they are effective to the extent that environmental information and resource dependencies are managed successfully. Environmental characteristics and uncertainty have been important factors in explaining organizational structure, strategy, and effectiveness. Organizational effectiveness also requires a focus on human resources and organizations must help people gain he skills and self-reliance to master the new environment, to find security and support. To compete effectively, organizations must also attract, retain, motivate, and utilize effectively the most talented people they can find, people who overtime are mentored and developed to take up leadership roles and responsibilities. Organizational effectiveness is considered a multifaceted concept that occurs at different sectorial levels for industry, corporate and business sectional unit. However, as earlier noted, there is a necessity to target specific factors which contribute to effectiveness in a manner that matches context of the organization with sector factors that can sustain effectiveness over the long term (Borrows, 2011). Whether public or private, the organizations survival is based on its ability to bring on board and sustain high quality workforce over a period of time. This is as many organizations are currently facing mounting pressures to ensure their sustainability, flexibility and responsiveness to the increasing uncertainty and limitations in the economic world through adequate succession plans and systems (Caudron, 1999).

Employee development is an aspect of organizational development that covers recruitment and assessment of executive level employees and training them in leadership to equip them for higher positions. This process generally includes development of cognitive (thinking, idea generation and decision making) behavioural (choosing appropriate attitudes and values) and environmental (suiting management style to the situation) skills. (Business dictionary.com 2014). According to Mullins (2013), employees are the cornerstone of organizational effectiveness and the contribution to social needs of the society. A balance of technical, social and conceptual knowledge and skills acquired through a blend of education and experience is required of managers, therefore there is a continual need for development. Development is concerned with preparing the employee for expected changes in the job, or for anticipated future job or role. However, management development is meant to include an element of training. Mullins (2013) asserts that a more general interpretation views management development as an integral part of the process of organizational development. Cynthia (2013) defines employee development as the process of training and educating employees to become good managers and their monitoring the progress of their managerial skills over time. Employee development is increasingly being used as a tool to accomplish organizational objectives.

Employee development is concerned with the improvement of employees' performance in their current roles and preparing them for great responsibilities in the future (Agulanna and Awujo 2005). They posit that management development covers a wide range of activities such as; self-development through improving communication and presentation, and specific skills in managing office information performance appraisals; financial management, managing other people and managing in different cultures.

While a range of studies (Jackson, 2007; Borrows, 2011; Field, 2002; Nwachukwu, 2010) exist on the imperatives of succession planning for organizational survival, little has been channelled towards the role of employee development as a measure of succession planning in enhancing organizational effectiveness. This is because organizational effectiveness goes beyond survival by addressing the organizations capacity not only for continuity but also its capacity for meeting with the expectations of its stakeholders by offering meaningful services and functions. This study therefore offers a significant departure as it focuses on investigating the relationship between succession planning and organizational effectiveness of selected Manufacturing Companies in Rivers State.

Therefore, the purpose of this Study is to examine how employee development affects organizational effectiveness of selected manufacturing firms in Rivers State Nigeria. This purpose was considered under the following objectives:

i. To examine the relationship between employee development and organizational effectiveness of selected manufacturing firms in Rivers State Nigeria.

ii. To examine the relationship between employee development and adaptability of selected manufacturing firms in Rivers State Nigeria.
iii. To examine the relationship between employee development and goal attainment of selected manufacturing firms in Rivers State Nigeria.

Based on the specified objectives, the following Research Questions guided this study:

i. What is the relationship between employee development and organizational effectiveness of selected manufacturing firms in Rivers State Nigeria?
ii. What is the relationship between employee development and adaptability of selected manufacturing firms in Rivers State Nigeria?
iii. What is the relationship between employee development and goal attainment of selected manufacturing firms in Rivers State Nigeria?

A conceptual framework was drawn to demonstrate the association between employee development and organizational effectiveness as shown in figure 1.

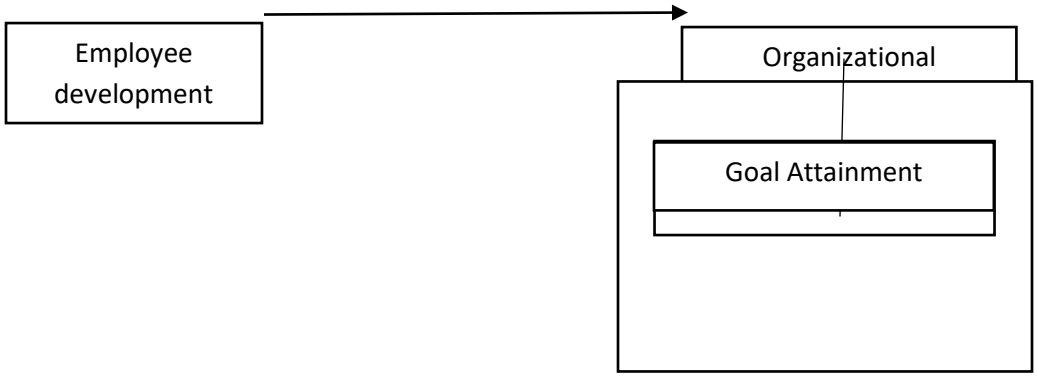

Fig: 1.1 Conceptual framework for the relationship between succession planning and organizational effectiveness.
Source: Researcher conceptualization based on desk research (2020).

The hypothesis stated below in the null form were tested as a means ascertaining the nature of the relationship between retention efforts and organizational effectiveness.

Ho1 There is no significant relationship between employee development and organizational effectiveness of selected manufacturing firms in Rivers State Nigeria.

Ho2 There is no significant relationship between employee development and adaptability of selected manufacturing firms in Rivers State Nigeria.

Ho3 There is no significant relationship between employee development and goal attainment of selected manufacturing firms in Rivers State Nigeria.

LITERATURE REVIEW

Theoretical Framework

Systems Theory

Koc-Menard, (2009) suggests that systems theory had significant effects on management science and understanding organizations. A system is a collection of parts unified to accomplish an overall goal. If one part of the system is removed, the nature of the system is changed as well. A system can be looked at as having inputs (e.g., resources such as raw materials, raw data, money, technologies, and people), processes (e.g., planning, organizing, motivating, and controlling), outputs (products, services or coherent information) and outcomes (e.g., enhanced quality of life or productivity for customers/clients, productivity, appropriate decision making). Systems share feedback among each of these four aspects of the system. The Systems theory is a management methodology as of analysing and thinking about

organizations continuity. It puts forth the premise that organizations, like living organisms, are made up of numerous component subsystems that must work together in harmony for the larger system to succeed. Systems theory states that organizational success relies on synergy, interrelations and interdependence between different subsystems. As arguably the most valuable component of a company, employees make up various vital subsystems within an organization.

Rothwell, (2010) indicates that departments, work groups, business units, facilities and individual employees can all be considered component systems of the organizations this chain creates a succession chain link for organizational effectiveness. The theory applied in this study in the sense that, it pointed on how systems play an important role when it comes to succession management by allowing clear growth and succession paths for employees which will create a synergy that will work towards creating complimentary or supplementary roles for performance achievement through having the right organizational strategy that supports the systems in place and being ready for any requisite change whenever necessitated.

Employee Development

Employee development is an aspect of organizational development that covers recruitment and assessment of executive level employees and training them in leadership to equip them for higher positions. This process generally includes development of cognitive (thinking, idea generation and decision making) behavioural (choosing appropriate attitudes and values) and environmental (suiting management style to the situation) skills. (Business dictionary.com 2014). According to Mullins (2013), employees are the cornerstone of organizational effectiveness and the contribution to social needs of the society. A balance of technical, social and conceptual knowledge and skills acquired through a blend of education and experience is required of managers, therefore there is a continual need for development. Development is concerned with preparing the employee for expected changes in the job, or for anticipated future job or role. However, management development is meant to include an element of training. Mullins (2013) asserts that a more general interpretation views management development as an integral part of the process of organizational development. Cynthia (2013) defines employee development as the process of training and educating employees to become good managers and their monitoring the progress of their managerial skills over time. Employee development is increasingly being used as a tool to accomplish organizational objectives.

Organizational Effectiveness

The concept of organizational effectiveness is among the most elusive and controversial in the organization theory literature. A major contributor to the controversy appears to be the fact that organizational effectiveness has come to be regarded by many as synonymous with goal attainment (Etzioni, 1964 cited in Bernard, 2015). The effort to distil some propositions about organizational effectiveness from empirical studies illustrates the popularity of this goal model (Prince, 1968 cited in Bernard, 2015). The indicators of effectiveness could be interpreted in terms of the accomplishments of goals such as high productivity, morale, conformity, adaptability, and institutionalization. However, most organizations generally are seeking to accomplish several different goals at the same time, and the accomplishment of one of these goals often may inhibit the realization of another. For example, high productivity may well be achieved at the expense of high employee morale or low environmental pollution. Therefore, the goal model of effectiveness raises the possibility that an organization really cannot be effective if it means attainment of all or even most of its goals. A further difficulty with the goal model is that it has limited use for comparing the relative effectiveness of different organizations, since their salient goals may differ substantially. This may be true even for organizations which seem to have similar goals, such as business firms, some of which, for example, may emphasize profit or sales growth more than others.

Perrow (1961) cited in Bernard, (2015) makes a useful distinction between an organization's "official" and "operative" goals. Operative goals indicate what the organization is really trying to accomplish, as opposed to its officially stated aims. Any assessment of the organization's effectiveness must focus on its operative goals. Assuming that operative goals can be identified (which may be quite difficult), they will

tend to be unique to a given organization. This, of course, would make the comparison of the effectiveness of a number of complex organizations practically impossible. Yuchtman and Seashore (1967) attempt to deal with this problem by abandoning the goal model of organizational effectiveness in favour of a "system-resources" approach. Organizational effectiveness is seen as the "ability of the organization, in either relative or absolute terms, to exploit its environment in the acquisition of scarce and valued resources" (Yuchtman, 1967 cited in Bernard, 2015).

Systems resources approach still does not appear to solve one major problem of the goal model—that effectiveness must be evaluated according to the type of organization being studied. The "commitment to a goal paradigm" may actually have retarded, rather than aided, organizational analysis therefore proposing a "counter-paradigm," based on Barnard's (1938) cited in Bernard, (2015), would focus on the individual participants in the organization who are exchanging a variety of incentives and pursuing a diversity of goals. In this model an organization's effectiveness is considered to be a function of its ability to satisfy the needs of its members by providing incentives which exceed (or are perceived to exceed) their contributions. On the other hand, some proponents of the goal model might still say that the satisfaction of member needs would simply be one of the organization's multiple goals. Friedlander and Pickle (1968) cited in Bernard, (2015) suggests that effectiveness measures must take into account the profitability of the organization, the degree to which it satisfices its members, and the degree to which it is of value to the larger society of which it is a part.

Adaptability

Adaptability Is an aspect of resilience that reflects, learning, flexibility to experiment and adopt novel solutions, and the development of generalized responses to broad classes of challenges (McManus, Seville, Vargo, Brundsdon 2008), researching the past world war, adaptive capability is the ability or inclination of individuals or group to maintain an experimental attitude towards new situations as they occur and to act in terms of changing circumstances. Adaptability is addressed in this context through two approaches; socio-environmental and organizational (McManus, Seville, Vargo, Brundsdon 2008). An organization's ability to adapt is at the heart of their ability to display resilient characteristics, the importance of adaptation and notes that the aim is to "……create advantages over less adaptive competitors". This suggests that adaptability is also linked to competiveness. Dalziell and McManus (2004) define adaptability as the engagement and involvement of organizational staff so that they are responsible, accountable and occupied with developing the organization's resilience through their work because they understand the links between the organization's resilience and its long term success "……the ability of the system to respond to the changes in its external environment and to recover from damage of internal structures with the system that affect its ability to achieve its purpose."

Goal Attainment

Social cognitive theories suggest that goal ambiguity imposes additional demands on employees because when organizational goals are not easy to understand, individuals' capacity for self-efficacy and self-regulation is correspondingly diminished (Bandura, 1991; Kanfer, 1990). The more difficult it is to interpret organizational objectives, the more likely it is that employees will misunderstand and misdirect their efforts towards unproductive or unimportant work activities. As a result, organizational goal ambiguity poses an especially serious threat to employees' engagement. Clear and easily understood goals motivates employees to work harder because it is easier for them to diagnose the actions necessary to achieve desired organizational objectives (Bandura, 1991). By contrast, ambiguous organizational goals make the task of synchronising one's work efforts with the requirements of the organization much more demanding.

Although some management scholars' question whether organizational goal ambiguity is always a bad thing (Davis and Stazyk, 2014;), empirical studies connect it with worse employee and organizational outcomes (Jung, 2010; Stazyk and Goerdel, 2011; Stazyk, Pandey and Wright, 2011). When organizational goals are ambiguous and unclear, employees must work harder to understand the relationship between the activities that they undertake and the resulting performance of the organization. In addition, because the criteria for goal attainment are not easily understood the connection between

individual effort and subsequent reward becomes murkier. In these circumstances, employees are more likely to display low levels of engagement because they are not certain whether investment in one activity or another will be time and effort well-spent (Jung, 2014; Wright, 2004).

Relationship between Employee Development and Organizational Effectiveness.

Succession planning is a process of identifying assessing and developing high-potential employees to ensure that they will be ready to assume important managerial and executive roles when they are called upon (Kessara 2012). Replacing high profile managers is not a straight forward process, organization need an effective and structured succession plan to identify and train high potential employees, grooming and cultivating high potential employees require a training and development plan that can be focused on the strength and weakness of each selected employee. The quality of leadership more than any other single factors determines the success or failure of an organization. Succession planning offers employee development resources and tools for building their leadership skills needed in the hierarchy of the organization. Employee Development is a key element of succession planning, it is the process by which employees learn and improve their skills. Effectiveness is recognized as a determinant of organizational success. Therefore, investment in employee development can have a direct economic benefit to the organization. Employee development must focus on performance rather than on promise, and on tomorrow's requirement, rather than those of today's (Drucker, 1955), by focusing on performance and future requirements employee development will engender organizational effectiveness.

METHODOLOGY

This study adopted the cross-sectional survey research design. The population of the study been 190 was derived from the human resources unit of the ten (10) selected manufacturing companies in rivers state from the various departments (production, research and development, purchasing, marketing, human resources, and accounting & finance). The Taro Yamane's formula was used to determine the sample size of 129. The structured questionnaire which is the primary source of data was used to obtain relevant information from supervisors and managers. a total of 129 copies of structured self-administered questionnaire being an instrument of primary data gathering was delivered to supervisors and managers, out of which 90 copies were retrieved. The research instrument being the questionnaire was validated by the research supervisor. Data analysis was carried out using Spearman Rank Order Correlation Coefficient for testing the hypotheses formulated for the study in chapter one with the aid of the Statistical Package for Social Sciences (SPSS) version 23.

DATA ANALYSIS AND RESULTS

Test of Hypothesis

Correlations for Employee Development and the Measures of Organizational Effectiveness

			Employee Development	**Adaptability**	**Goal Attainment**
Spearman's rho	Employee Development	Correlation Coefficient	1.000	.690**	.603**
		Sig. (2-tailed)	.	.000	.000
		N	77	77	77
	Adaptability	Correlation Coefficient	.690**	1.000	.656**
		Sig. (2-tailed)	.000	.	.000
		N	77	77	77
	Goal Attainment	Correlation Coefficient	.603**	.656**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	77	77	77

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

Source: Research Data 2020 and SPSS output version 23.0

Interpretation

The correlation coefficient (r) shows that there is a significant and positive relationship between employee development and adaptability. The *rho* value 0. 690 indicates this relationship and it is significant at p 0.000<0.05. The correlation coefficient (r) also shows that there is a significant and positive relationship between employee development and goal attainment. The *rho* value 0.603 indicates this relationship and it is significant at p 0.000<0.05. The correlation coefficient represents a strong relationship. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld.

DISCUSSION OF FINDINGS

This study examined the relationship between employee development and organizational effectiveness of selected manufacturing companies in Rivers State. The findings revealed that a significant relationship exists between employee development and organizational effectiveness of selected manufacturing companies in Rivers State. Using the Spearman's rank order correlation tool and at a 95% confidence interval, the findings of this study confirmed that succession planning has an effect on organizational effectiveness of manufacturing companies in Rivers State.

The finding supports the arguments of Chima (2013) who stated that succession planning and employee development are one of the most often used catchwords in management meetings of various organizations, which have taken the globe by storm; In today's globally competitive and modern environments, organizational future plans often fail due to the lack of succession planning, very few organizations survive without proper succession planning (Chima, 2013). Succession planning plays a pivotal role in ensuring that business success will continue when the individuals currently involved in management are no longer there (Shatilwe & Amukugo, 2016).

CONCLUSION AND RECOMMENDATION

From the research findings above, the researcher thus concludes that's there is a very high degree of consistency and agreement on the part of respondents that employee development significantly influences organizational effectiveness of manufacturing companies in Rivers State, Nigeria.

The study recommend that Manufacturing companies should implement employee development planning policies towards effective succession planning as it significantly influences organizational effectiveness of selected manufacturing companies in Rivers State, Nigeria.

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