

UNIVERSITY OF CAPE COAST

STAFF PERCEPTION OF ACTION AID GHANA'S HUMAN RESOURCE
CAPACITY BUILDING EFFECTIVENESS

ESTHER BOATENG

2011

UNIVERSITY OF CAPE COAST

STAFF PERCEPTION OF ACTION AID GHANA'S HUMAN RESOURCE
CAPACITY BUILDING EFFECTIVENESS

BY

ESTHER BOATENG

DISSERTATION SUBMITTED TO THE INSTITUTE FOR DEVELOPMENT
STUDIES OF THE FACULTY OF SOCIAL SCIENCES, UNIVERSITY OF
CAPE COAST IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE AWARD OF MASTER OF ARTS DEGREE IN HUMAN RESOURCE
MANAGEMENT

MAY, 2011

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's Signature:..... Date:.....

Name:.....

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature:.....Date:.....

Name:.....

ABSTRACT

The main objective of this study was to evaluate staff perception of Action Aid Ghana's human resource capacity building effectiveness. The purposive and simple random techniques were used in the selection of sample units of the study. A sample of 60 was drawn from a target population of 80 using the lottery method. The instruments used in this study were interview guide and questionnaire. Statistical Product and Service Solutions (SPSS) was used to analyse the data collected from the field.

The study findings indicate that most of the AAG human resource capacity building elements and practices supports its performance effectiveness, especially staff recruitment, development and retention as well as staff training in the use of information technology and computer systems. The study further shows that most of AAG's culture tends to encourage high human capital performance, thus meeting its mission and strategic objectives. However, the study could not establish any strong and positive relationship between the various dimensions of AAG's leadership and performance effectiveness, with the singularly exception of female gender capacity building and career development.

Based on the findings and the conclusions drawn from the study, the study recommended that AAG should continue with the implementation of its strategic recruitment and retention strategy. Also, the key HR staff and leadership of AAG should be sponsored for training in specific competences. More so, leadership of AAG should refocus its vision on and redirect resources toward improving external strategic partnerships in its pursuit of the strategic objectives of AAG.

ACKNOWLEDGMENTS

I would like to express my sincere thanks to the Human Resource Unit of Action Aid Ghana for the support and motivation they gave me. I am also very grateful to all my colleagues at Action Aid Ghana for taken time off their busy schedules to answer the questionnaire used for this study.

I wish to express my deepest gratitude to my supervisor Drs. Nana Gharthey for his continuous guidance, assistance and encouragement. Next in line is my family, without whom I would never have been able to achieve so much. I honour the memory of my father whom I lost during my second year into the programme.

Finally but not the least, I especially wish to express my thanks to Alex Oheneba Brobbey Boateng, my brother. He only knows the real price of this dissertation as we suffered and paid for it together. I thank him for his endless love, patience, and understanding.

DEDICATION

This dissertation is dedicated to my late father, Emmanuel Kwadwo Boateng, and my daughter, Akua Takyiwaa Boateng for their endless love and encouragement.

TABLE OF CONTENTS

Content	Page
DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
DEDICATION	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xii
LIST OF ACRONYMS	xiii
CHAPTER ONE: INTRODUCTION	
Background to the study	1
Statement of the problem	3
Objectives of the study	6
Research questions	6
Scope of the study	7
Significance of the study	7
Limitations of the study	7
Organisation of the study	8

CHAPTER TWO: LITERATURE REVIEW

Introduction	9
Concept of Human Capital	9
Human capital in context: the resource-based view	14
Human resources capacity building and management	14
Human resources capacity and organisational performance	20
Measuring human resource capacity of the organisation	25
The conceptual framework for the study	29

CHAPTER THREE: METHODOLOGY

Introduction	33
Study setting	33
Study design	35
Study population	36
Sampling procedures	36
Sources of data	38
Research instruments	38
Pilot testing	38
Fieldwork	38
Data processing and analysis	39

CHAPTER FOUR: RESULTS AND DISCUSSIONS

Introduction	40
General survey responses and response rate	40

Profile of respondents	40
Leadership	44
Staff recruitment, training and retention	49
Organisational culture	53
Computer and information technology	55
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND	
RECOMMENDATIONS	
Introduction	59
Summary	59
Conclusions	61
Recommendations	62
REFERENCES	64
APPENDICES	
A. SURVEY QUESTIONNAIRES	72
B. SURVEY DATABASE AND RELATED INFORMATION	81
C. TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN	
POPULATION	89

LIST OF TABLES

Table	Page
1 Sample distribution of respondents	37
2 Gender and Occupational Profile of Respondents	41
3 Age and Occupational Profile of Respondents	42
4 Educational and Occupational Profile of Respondents	43
5 Gender and Employment Grade of Respondents	43
6 Senior Management's Perception of Leadership	45
7 Middle-level Management's Perception of Leadership	46
8 Non-supervisory staff's Perception of Leadership	47
9 Respondents' Perception of Recruitment, training and Retention	50
10 Respondents' Perception of Organisational Culture	54
11 Respondents' Perception of Computer and Information Technology	56

LIST OF FIGURES

Figure	Page
1 Conceptual framework for human resource capacity and organisation performance	30

LIST OF ACRONYMS

AAG	Action Aid Ghana
AAI	Action Aid International
CEO	Chief Executive Officer
CSPIII	Country Strategic Paper Three
HR	Human Resource
HR Capacity	Human Resource Capacity
HRM	Human Resources Management.
IT	Information Technology and System
M	Mean
NGO	Non-Governmental Organisation
RBV	Resource-based View
SD	Standard Deviation
U.S.A	United States of America

CHAPTER ONE

INTRODUCTION

Background to the Study

ActionAid Ghana is one of the many affiliates of ActionAid International (AAI), a Non-Governmental Organisation (NGO) which has as its core mission, to work with poor and excluded people to overcome poverty and injustice. Drawing on over thirty years of experience and formal stocktaking of activities in 2004, AAI approved a new international strategy of “Rights to End Poverty” in early 2005. It also developed a management plan to clarify and help support the action needed to transform the organisation and its affiliates in terms of structure, systems, staff, skills and culture (Action Aid International Strategy, 2005).

Accordingly, ActionAid Ghana (AAG) also reviewed the strategic objectives of its Country Strategic Paper Three (CSPIII) to fall in line with the overarching goal of the international body and to accommodate new programmes and action plans intended to transform its structure, systems, staff, skills and work culture. The strategic objectives of CSPIII now include the following:

1. Strengthening staff capacity and leadership, with focus on women;

2. Developing enabling structures and systems that support work and links internationally, across themes, geographies and functions;
3. Developing core standards and mechanisms for organisational accountability;
4. Promoting and deepening cultures of learning and knowledge, activism, cooperation, performance and a learning and knowledge, activism, cooperation, performance and accountability;
5. Supporting ways of working that promote a healthy work life balance;
6. Enhancing internal communications that support the sharing and use of information and knowledge; and supporting systematic review of the processes of resource allocation (staff and budgets) to enable alignment with the ambitions of the strategy. ((Action Aid International Strategy, 2005).

The above strategic objectives are laudable and very challenging. It is expected that if they are prudently pursued, AAG should be able to strengthen its staff and leadership capacities as well as its overall human resource (HR) capacity to achieve the set performance outcomes (i.e. meeting its mission and strategic objectives). In that regard, leadership support is considered critical particularly in promoting diversity, enabling staff capacity development and movement across regions and in being able to commission honest and open reviews and reflections. The commitment of leadership is also necessary to shape rewards and sanctions based on compliance (or noncompliance) with agreed standards.

Realising the importance of the HR capacity in the organisation's reform agenda, AAG developed an HR operational manual for the period 2005 – 2009 to guide the recruitment, training, and retention of both new and old employees in order to build a robust, reliable, and effective HR capacity base. The guidelines in the operational manual specifically stipulate the following:

1. The structure, staffing, resource allocation and accountability framework of AAG should be aligned with and made to respond to the mission-related strategic priorities;
2. Adequate investments should be made to strengthen the necessary core knowledge, skills and attitudes amongst staff to deliver the intentions and ambitions of CSPIII;
3. Leadership development, particularly of women in the organisation should be given a top priority; and
4. Adequate resources should also be allocated to the development and improvement of AAG's systems, organisational capacity and practices to enable it capture and promote new knowledge and ideas.

It is worthy of note that the strengthening of the knowledge, skills and attitude of AAG's human resources and improving processes and HR support systems have become a prime factor in its overall development strategy since 2005.

Statement of the problem

HR capacity is considered core to every organisation's development

and growth; it encompasses the entire capability of its human capital, HR practices, systems, and processes. Strengthening or developing an organisation's HR capacity, therefore, involves a re-shaping of the organisation's mindset, and enhancing its knowledge base, staff capacity and systems, as well as its culture, in order to possess a trained and versatile human resource base.

According to McNamara (1997), making sure that employees' abilities are correctly and optimally nurtured is essential to expecting a worthwhile return on investment to come from their contribution to the achievement of organisational objectives. This notion is rooted in the human capital theory, which assumes that the human being is a 'stock' or capital, which can be increased by positive flows from investments of time, energy and other resources in education, and good health, among others. As an investment, just like all investments, there is the expectation of some level of return, which can take the form of compensation, self-actualisation and an enjoyable work environment (Schultz, 1997). It is in the light of this expectation of positive flows of returns that AAG embarked upon the implementation of CSPIII in 2005.

The idea of improving the HR capacity of an organisation in expectation of good performance is supported by several empirical and cross-cultural studies (Becker, 1964), and Schultz (1963, 1971). However, in spite of the many positive empirical findings, there is conflicting evidence from other empirical studies on the relationship between HR capacity and

performance. For instance, using cross sectional survey data, Nkomo, (1987) found a link between HR capacity and business performance. But in another survey-based study by Delaney and Huselid (1996), they did not find any link between HR practices and financial performance. Therefore, the expectation of positive returns from the recruitment and training of talented staff is not given.

One plausible explanation may be that, even though an organisation may have the right employees on board, it is only when they are provided the tools, systems, incentives, and accountability framework to work effectively that a strong organisational performance is possible (GAO, 1999 cited in Grafton & Ghoshal, 2003). Human capital, regardless of its quality and capability, performs best when the organisation's overall HR capacity (i.e., practices, processes, systems and structures) is right. The accumulation of exceptionally talented individuals is just not enough for the organisation; rather it has to create the right environment to encourage the individual employees to embrace the idea of knowledge-sharing among groups in order to institutionalise knowledge within organisational processes and routines (Wright, Dunford, & Snell 2001) as part of its HR capacity.

This study, therefore, seeks to investigate critically the HR capacity building effort of AAG in the light of the organisation's performance during the 2005 and 2007 period. In doing this, a conceptual framework consisting of HR capacity, its practices, systems and processes, guide the data collection, analyses, and interpretation of the relationships and disparities that

exist between the intents of HR capacity building efforts of AAG and its actual performance, based on the perception of employees.

Objectives of the study

The general objective of this study was to examine the staff perception of Action Aid Ghana's human resource capacity building effectiveness in the fulfilment of its mission and strategic objectives.

The specific objectives were to:

1. identify the human resource practices at AAG;
2. examine the recruitment procedures of AAG;
3. determine the nature of human capacity building (training) and retention programmes at AAG;
4. determine the nature of organisational culture at AAG;
5. recommend a set of key priorities for addressing or improving the organisation's HR capacity building.

Research Questions

The following research questions were asked:

1. What are the human resource practices at AAG?
2. What are the recruitment procedures of AAG?
3. What is the nature of human capacity building (training) and retention programmes at AAG?
4. What are the impacts of organisational culture on the efforts of AAG?

Scope of the study

The study focuses on Action Aid Ghana (AAG). It identifies the various human capacity building programmes embarked upon by AAG and assesses their effects.

Significance of the Study

It is hoped that this study will contribute to a better understanding of the role and importance of HR capacity of an organisation in meeting its mission and strategic objectives. With specific reference to AAG, the evaluation of employees' perception of AAG's HR capacity in terms of its practices and how they impact on achievement of the organisation's mission and strategic objectives is very crucial in its human resource development drive.

In the course of the literature review, a number of key unsolved research issues were identified. It is hoped that the study findings will help to generate interest in further research studies on human capital performance effectiveness and adaptability to changes in the face of the global competition for funding. It is also expected that the study findings will help future researchers to build upon the cumulative body of knowledge on the theory and practice of HRM.

Limitations of the Study

This study recognises that there are some limitations that must be considered in future investigation. Firstly, a major limitation of this study is the small sample size. As a result, the power of the test is generally weaker.

Secondly, the findings are based on the use of self-reported survey data, which may be affected by response bias. Thirdly, data were collected at a single point in time, which does not allow for changes in perceptions and attitudes over time. Fourthly, a cross-sectional analysis cannot confirm the direction of causality implied in this study model, so it is necessary to be cautious in conclusions regarding causality. It is proposed that future research should include other types of HR practices and processes using a similar approach. Future research may be beneficial if more HR capacity building practices and better measures are developed.

Organisation of the Study

The study is divided into five main chapters. Chapter One deals with the introduction and background to the study; statement of the problem; research objective; research questions, scope of the study; significance of the study; limitation of the study; and the organisation of the study. Chapter Two also comprises a review of related literature on HR capacity and organisational performance. Chapter Three consists of the methodology which comprises the research design; the study area; the research population; sampling procedures; sources of data; research instruments; data analysis and interpretation. Chapter Four focuses on the presentation and discussion of findings; whilst Chapter five centres on summary, conclusions and recommendation.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The chapter focuses on the review of theoretical concepts and empirical materials on human capital, human resources (HR) capacity building and organisational performance. It also examines the relationship or linkage between HR capacity, its practices and dimensions on one hand and organisational performance on the other hand. Relevant international and local studies are cited as points of reference and support. It finally explores various mechanisms in the form of a framework for measuring or assessing HR capacity and performance as presented in the literature.

Concept of Human Capital

The description of the human being as an embodiment of “capital” is not new; it is an old thinking that has been used in different forms for over two hundred years. For instance, Smith (1976) described this form of 'capital' as a human skill that determines individual and national wealth. He specifically characterised ‘capital’ as those that afford a revenue or profit without circulating or changing master. He identified four types: (i) useful machines and instruments of the trade; (ii) buildings which are used as a

means of procuring revenue; (iii) improvements of land, and (iv) human skill.

Smith further argued that the acquisition of human skills or talents through education, study, or apprenticeship, always costs a real expense. These skills or talents, according to him, do not only become a part of the acquirer's assets but they likewise become that of the organisation to which he/she belongs. Thus, the improvement in the dexterity or talent which an employee gains through education and training on the job may be considered in the same light as a machine or instrument of trade which facilitates and abridges labour.

In the modern neoclassical economic literature, however, the actual use of the term “human capital” can be traced back to the pioneering work of Mincer (1958). Since then, there has been a significant flow of literature on the human capital concept by economists of education such as Becker (1964), Denison (1962, 1967), Schultz (1963, 1971), and Psacharopoulos (1973), among others. Their initial writings focused on the economic benefits from investments in education and training.

Prior to their studies, the prevailing assumption was that human capital was similar to any physical means of production such as factories and machines. However, using detailed empirical analysis, these economists redressed this point of view by showing evidence that human capital is unique and that it is critical to economic growth and organisational success (Becker, 1964). Becker for instance, argued that the individual can always invest in human capital through education, training, and medical treatment; and expect

to receive a positive rate of return on the human capital he/she owns.

Studies by Denison (1962, 1967), Schultz (1971), Psacharopoulos (1973), and Becker, and Huselid, (1992), also provide strong empirical evidence in support of the relationship between investment in education on one hand and economic growth, productivity and earnings, on the other hand. To all these economists, human capital is central in explaining individual differences in productivity and earnings. They argue that employees who invest in education and training raise their skill levels as a result and become more productive than those less skilled; justifying higher earnings resulting from those educational investments. Becker (1992), simply views the human being as capital or stock of productive skills; its worth or stock increasing with education, enabling those individuals to become more capable of contributing to the organisation. Amsdem (1988) cited in (Mullins, 1996) further argue that every individual has the benefits of choices in the workplace, which include making a substantial investment in education and training, and expecting some level of return in the future in the form of compensation, self-actualization and an enjoyable work environment, among others.

In another study conducted by Schultz (1997), he provides empirical evidence of a high rate of return on investment in human capital, which even exceeds comparable rates of return in physical and financial assets. This high rate of return on human capital investment is also supported by a study by Bassi, Harrison, Ludwig, and McMurrer, (2001) in their analysis of firm-level

data from 1996 to 1998 on 388 U.S.A-based companies. They identified a positive relationship between an organisation's training investments and its stock performance, thereby concluding that "there appears to be a 'super-normal' return to a firm's investment in human capital". In fact, it is proven that trained or educated employees are capable of and do increase their value to the employer (or organisation) by giving it a competitive edge. Organisations, therefore, deem it worthwhile to invest in the education of their employees in order to gain this competitive advantage. Based on this expectation of a high rate of return, in 2001, the United States, for instance, devoted nearly \$800 billion to human capital investment within elementary, secondary and post-secondary educational institutions (Meyer, Madden, & McGrath, 2004).

Since the beginning of 2003, AAG has also embarked upon a comprehensive staffing programme which includes improved recruitment and selection of new employees, capacity building through training workshops and educational sponsorships, as well as the use of compensation and incentive schemes to attract and retain employees. In 2005, for instance, an unprecedented number of AAG staff went on training programmes. Many in-house training workshops were also organised. In AAG's Annual Report, 2007, it is specifically stated that "training and development have become more purposive and targeted". The goal is to consistently invest in increasing staff skills, building a stronger HR capacity, and encouraging knowledge sharing through team work and team building. The organisation's expectation

is that the HR capacity will be built, and staff performance improved to enable AAG "to deliver on its new agenda".

In spite of the empirical evidences and arguments put up in support of the importance of human capital to the organisation in terms of higher productivity, earnings, and economic growth, it is only in recent years that human capital has become so critical to competitiveness (Snell, Youndt, & Wright, 1996). Over the last 15 years, there has been a revolution in the workforce and in the workplace. Increasingly, the developed world has evolved into a service and information economy; and in such an economy, people are the critical asset and not financial capital. Access to financial capital is no longer a source of competitive advantage; rather competitiveness increasingly derives from know-how, or people's abilities, skills and competence. Snell et al (1996) argue that the types and levels of skills embedded in individuals (the human capital) are not equally distributed; some organisations are able to acquire the talent they need while others are unable. To those organisations that are able to acquire it, *ceteris paribus*, that form of human capital (talent or skill) becomes a source of sustained competitive advantage. Thus, human capital has become a major driver for organisational performance or success; a critical contributor to competitive advantage.

Organisations now know and do accept that they need certain types of human capital to deliver value in new and different ways. Even though increasingly, more people are now entering the workforce; job seekers have also multiplied, yet organisations still continue to struggle with a general

shortage of some specific skills required, especially in a service and information sectors of the economy. A plausible explanation is that, other elements, other than traditional pay and job security, need to be put in place by organisations if they are to attract and retain talented employees.

Human capital in context: the resource-based view

The genesis of the resource-based view (RBV) of human capital can be traced to the work of Penrose (1958), cited in Psacharopoulos (1973). It was later articulated by Rumelt (1984), Derick & Cool (1989), and Barney (1991, 1995). The RBV emphasises the relative importance of human capital to an organisation. According to the proponents of this view, through the acquisition of critical human resources, organisations are able to build a valuable set of human resources and bundle them together in unique ways to achieve organisational success. Their argument is that competitive advantage is no longer dependent, as traditionally assumed, on natural resources, technology, or economies of scale; rather, competitive advantage is dependent on the valuable, rare, and hard-to-imitate resources that reside within an organisation; its HR capacity.

In terms of inimitability of human capital, there are at least two reasons why it may be difficult to imitate. The first is referred to as causal ambiguity, which implies that it is difficult to grasp the precise mechanism by which the interplay of HR capacity (i.e. practices, systems and processes) generate value; the second is the path dependency. Path dependency means that an organisation's HR capacity is developed over time and cannot be

simply purchased in the market by competitors. It is this interdependency between the HR capacity elements that combine with the idiosyncratic context of particular organisations to create high barriers to imitation (Barney 1991; Becker & Gerhardt, 1996).

The RBV of human resources has helped to promote the role and importance of human capital management and to bring about a convergence between the fields of strategy and HRM (Wright, Dunford, & Snell, 2001). It has further strengthened the often-repeated statement from the field of strategic HRM that people are highly important assets to the success of the organisation; the critical resource or “core” factor to the performance and growth of the organisation. Capital, machinery, land and other natural resources of the organisation are all dependent on the human factor for purposes of generation and utilisation (Stiles & Kulvisaechana, 2005).

It is also important to recognise that RBV has even moved the human capital discussions beyond the individual to include the idea that knowledge can be shared among groups and institutionalised within an organisation as part of its HR capacity building efforts (Wright, Dunford, & Snell, 2001). According to Nahapiet & Ghoshal (1998), within an organisation, social relationships are established among the individuals, and this eventually aids cooperative behaviour, increases efficiency of action and more importantly, influence the development of both human and organisational performance. ‘The depth and richness of these connections and potential points of leverage build substantial pools of knowledge and opportunities for value creation and

arbitrage' (Gratton & Ghoshal, 2003).

Wright et. al (2001), therefore, suggests that as the organisation develops the knowledge of its individual employees through training and the provision of incentives, it should also concern itself with the organisational sharing of knowledge, making knowledge accessible and transferable to every employee so as to broaden the HR capacity of the organisation. The greater the sense of social community within the organisation, the more likely it is that knowledge will be created and transferred (Coleman, 1998).

Through the sharing of knowledge and experiences, and institutionalisation of time-tested HR practices and processes, the organisation is able to build a strong HR capacity to ensure sustainable competitive advantage (Dess & Picken, 1999). To do this, the organisations should first 'define knowledge, identify existing knowledge bases, and provide mechanisms to promote the creation, protection and transfer of knowledge' (Wright et. Al., 2001:716). The stock of HR capacity of the organisation, therefore, encompasses the human (the knowledge skills and abilities of people), the social (the valuable relationships among people) and organisational efforts (the processes and routines within the firm). It is these three types of capital that combine to impact the management and effectiveness of knowledge within the organisation.

Human resources capacity building and management

McNamara (1997) argues that making sure that employees' abilities are correctly and optimally nurtured is essential to expecting a worthwhile

return on investment to come from their contribution to the organisation, once their training period is over. The process of developing human capital or capacity building involves a planned approach to learning aimed at changes in knowledge, skills, understandings, attitudes and values, and in the behaviour of a learner or group of learners. The goal usually set for doing this is to provide a trained and versatile human resource base for the organisation; and to promote the knowledge and skills required by it to achieve its set objectives. Douglas, Alexaki, Bennett-Lartey, and Brice (2003), however, suggest that it ought to go further to encourage and promote the sharing of knowledge and skills at formal training workshops and during informal interactions.

As Wright et al (2001) point out in their study; the focus of most organisations has always been on developing individual knowledge through training and providing incentives to apply knowledge. They argue that it ought to change. Instead, ; they suggest the focus ought to go further to concern itself with the organisational sharing of knowledge and making knowledge accessible and transferable within the organisation so as to broaden its HR base or capacity.

In a study by Sutton (1999), he argues that the knowledge-doing gap (i.e. translating knowledge into action) is at least as important as accumulating knowledge in the first place. In other words, attending to the conditions under which people are prepared to share and act upon their knowledge is a major component of human resources management (HRM).

Given the importance of knowledge to the organisation, it is crucial that the employees who are the source of knowledge are managed well.

According to Smit (2006), the HRM concept can be traced to the early 20th century notion of employee welfare when large factories that evolved in the United States in the late 19th and early 20th centuries posed major challenges of workforce control to managers of these organisations. During that period, many employers made a large scale use of immigrant labour, which combined with the then traditional factory organisation of subcontracting to produce, to make the control of the factory floor very difficult. Therefore, as part of the approach to re-establishing management control on the factory floor, Taylor (1911) developed what was referred to as Scientific Management or Taylorism. This was an early form of HRM meant to establish the leading role of managers in the control of organisations.

From the 1920s, psychologists and employment experts in the United States started viewing workers in terms of their psychology and fit with organisations, rather than as interchangeable parts (Storey, 2001). This view, which later became popular throughout the middle of the 20th century, placed emphasis on the role leadership, cohesion, and loyalty play in an organisation's success and persisted throughout that period up to the late 1970s, culminating in the personnel management concept; a concept which dwelt mainly on hiring, firing, and design of job descriptions.

With time, this notion of employee management also started fading and the new concept of HRM began to gain ground at many workplaces

(Storey, 2001). The then new and evolving approach to the management of people in organisations was rooted in the perception that it was the strict adherence to HRM practices by large Japanese corporations that always gave them a competitive edge over western firms in terms of labour productivity and in innovation (Best, 1990). Studies conducted on these Japanese firms showed that they performed far better than their western counterparts mainly because of their emphasis on the importance of effective people management. For instance, in a study by Wickens (1987), he traces the key to the competitive edge and success of Japanese corporations to their good HRM practices, which they successfully transplant to their overseas transplants. He argues that these practices create an organisational culture that allows workers to identify their own success with that of the organisation.

In a study by Wickens (1987), he identifies the following HRM practices by the Japanese to be responsible for their good performance. These are:

1. Strict and rigorous selection and recruitment;
2. High level of training, especially induction training and on the job training;
3. Team working;
4. Multi-skilling;
5. Better management-worker communications;
6. Use of quality circles and emphasis on right first time quality;
7. Encouragement of employee suggestions and innovation; and

8. Single status symbols such as common canteens and corporate uniforms.

According to Stiles and Kulvisaechna (2005), HRM seeks to create a supportive environment for human capital to work in pursuit of the organisation's goal and objectives, and also to create, share and apply knowledge and experiences for that purpose. It functions to support an organisation to meet its goals and strategic objectives not only by attracting employees. It goes beyond recruiting and retaining the best employees, but more importantly, maintaining them and also managing its entire human capital effectively. In effect, HRM involves practices that ensure that organisations' human capital contributes to business outcomes (Huselid, Jackson, & Schuler, 1997).

Human resources capacity and organisational performance

Since the 1980s, a number of attempts have been made to put empirical flesh on the conceptual bones of HR capacity concerning how HR practices can enhance organisational performance. In fact, most development literature conveys a large and growing body of evidence that demonstrates a positive linkage between HR capacity and performance. These, studies, however, focused on examining investments in specific individual HR practices and their effect on the organisation's performance; and not bundles of HR practices. For instance, in a study by Russell, Terborg and Powers in 1985 on the adoption of training programmes by an organisation and the

impact on financial performance, they concluded that there is positive association between them.. A study by Yeung and Ulrich, (1990) also concluded that the alignment between HR and business strategy have an impact on organisational performance. Different studies undertaken by Arnold and Fieldman, (1982) and Baysinger and Mobley, (1983) on compensation levels and turnover, and demographics and productivity respectively, they provide evidence that these HR practices have impact on them.

The focus of HR research on the link between individual HR practices and performance continued into the 1990s. In a study by Bartel (1994), he established a link between the adoption of training programmes and productivity growth, while the link between training programmes and financial performance was supported by Gerhardt and Milkovich (1990). Weitzman and Kruse (1990) also identified a relationship between incentive compensation schemes and productivity. According to Becker and Huselid (1992), in general, selectivity in staffing has been shown to be positively related to organisational performance. In 1993, Terpstra & Rozell examined the extensiveness of recruiting, selection test validation and the use of formal selection procedures and found a link to organisational profits.

However, according to Barney (1995), reliance on single HR practices to determine impact on organisational performance may not reveal an accurate picture. The dominant view of scholars on human resource efficacy is that individual HR practices 'have limited ability to generate competitive

advantage in isolation’ but ‘in combination...they can enable a firm to realise its full competitive advantage’ (Barney 1995:56). In other words, relying on single HR practices with which to predict performance is unlikely to be revealing.

Moves have, therefore, been made within the field, to examine clusters or bundles of HR practices and how together they impact on organisational performance. The emphasis is now on the need to establish a strong and consistent relationship among selected HR practices and the performance of the organisation. These moves or approaches include:

1. Contingency or ‘fit’ approach
2. Configurations approach, and
3. Universal or ‘best practice’ approach

Contingency or ‘fit’ approach

Proponents of the contingency approach are of the view that there should be vertical linkages between HR practices and processes and the organisation’s strategy. To them, the strategic posture of the organisation influences the style and approach of its HR practices; a critical factor for success or performance. This has been investigated by a number of researchers based on differences in strategic approaches, which include traditional strategy typologies, such as cost, flexibility and quality strategies (Youndt, Snell, Dean, & Lepak, 1996) or the Miles and Snow’s (1978) framework. Emphasis here is on the alignment, or fit, between the external environment, the strategy of the organisation, and its HR practices.

This notion of fit has been articulated by writers such as Venkatraman (1989) and Huselid (1995), among others; and they all confirm the benefits of tight coupling between strategy and HR practices to ensure efficiency and effectiveness in achieving organisational objectives. For instance, in a study by Huselid (1995), he found that those organisations that link HRM practices to strategy report higher performance outcomes. Youndt et al (1996) also found support for this type of fit in a sample of 97 manufacturing plants. In contrast, however, MacDuffie (1995) explicitly rejects this hypothesis, claiming that in his study of car manufacturing plants, he found no evidence that a 'fit' of appropriate HR practices to a strategy of mass production was able to compete with flexible production.

Configurations approach

A second strand of research emphasises the patterns or configurations of HR practices that predict superior performance when used in association with each other, or the correct strategy, or both. They point out that in order to be effective, an organisation should develop an HR system that achieves both horizontal and vertical fit. As MacDuffie argues: 'implicit in the notion of a 'bundle' (of HR practices) is the idea that practices within it are interrelated and internally consistent, and that 'more is better' with respect to the impact on performance, because of the overlapping and mutually reinforcing effect of multiple practices' (1995: 201). The configurationally idea is that there are effective combinations of HR practices suited to different organisational strategies.

Universal or 'best practice' approaches

A third approach on HR practices and performance linkage is the idea of 'best practices', or 'high performance work practices'. The thinking is that it is crucial to emphasise on the need for strong consistency among HR practices (internal fit) in order to achieve effective performance. This view also has a high degree of empirical support (Arthur 1994, Huselid 1995, MacDuffie 1995, Delaney & Huselid 1996, Ichniowski, Shaw & Prennushi 1997).

The 'best practice' approach has been championed prominently by Pfeffer (1994), who listed 15 HR practices in 1994 (reduced to seven in 1998). These were: employment security; selective hiring, self-managed teams, high compensation contingent on performance, training, reduction of status differentials, and sharing information. Arthur (1992, 1994) also established that HR practices such as decentralised decision-making, comprehensive training, salaried compensation, and employee participation, which focus on enhancing employee commitment, are related to higher performance.

In a study of high performance at work practices, Huselid (1995) found evidence that investments in HR practices such as incentive compensation, selective staffing techniques (including recruitment, training and retention) and employee participation result in lower turnover, greater productivity and increased organisational performance through their impact on employee skill development and motivation. Then again in 1997, Huselid

et al also studied 293 publicly-held US firms, based on HR practices such as teamwork, communications, employee involvement, enhancing quality and developing talents, recruitment, selection, retention, performance appraisals and compensation administration, among others. They also established significant relationships between these strategic HR practices and employee productivity, cash flow, and market value.

In 1996, Delaney and Huselid conducted a multi-industry study of 727 organisations, and found progressive HR practices such as selective staffing and training, incentive compensation, grievance procedures, and decentralised decision-making, to be positively related to perceptual measures of organisational performance. Ichniowski et al (1997) also concluded from a cross sectional single industry study based on eight HR practices (i.e. incentive pay, recruitment and selection, employment security, flexible job assignment, communications and labour relations) that such innovative practices raise worker productivity and impact performance.

Finally, Guest, Michie, Sheehan, Conway, & Metochi, (2000) studied a cross-section of multi-industry covering 610 firms with over 50 employees on a number of HR practices including recruitment and selection, training and development, appraisal, financial flexibility, concern with quality, job design, communication and consultation, employment security, single-status facilities and harmonisation of staff support. Their study concluded that the effective use of progressive HR practices is not only linked to superior performance; it is also related to perceptions of positive employee attitudes and behaviour.

Measuring human resource capacity of an organisation

From the foregoing discussion, there is enough compelling evidence for a linkage between developing HR capacity of an organisation and performance. The crucial concern, however, still remains as to how to measure HR capacity within a complex and social business environment. There is no doubt that its measurement is important; because it will enable researchers to gauge the impact of human resources interventions and to address areas for improvement.

Notwithstanding its importance, the measurement of HR capacity somehow continues to be problematic. Several themes or measurement approaches emerge across the various studies, but at their heart, most of them focus on enhancing the skill base of employees through activities such as selective staffing, comprehensive training, empowerment, teamwork and group based incentives, among others. In the literature, the standard measurement process used by some academics such as Guest et al (2000), Patterson, & West, (1997) and a number of consulting firms to measure human capital is to specify the key HR capacity elements and dimensions and assess their characteristics.

To do this, it is essential to measure these HR practices in terms of outcomes, which also tend to differ along a number of categories. According to Guest et al (2000), these outcome measures include: (i) financial measures; (ii) measures of output or goods and services (i.e. units produced, customers served, number of errors, customer satisfaction, etc.) and (iii) measures of

time (i.e. lateness, absence, etc.).

In another study by Guest et al, (2000:4), they argue that the measurement preference is the adoption of the stakeholder perspective, which places 'emphasis to performance outcomes of concern to the range of stakeholders'. This is particularly true with funders of non-profit organisations whose priority interest is not to make profit but rather is in the ability of an organisation to meet its goal and objectives. In a human development report (2007), it is also argued that most business analysts are primarily interested in the management of value; their interest is in knowing how valuable an organisation is now and the direction of change in this value that is likely to take place over time. Hence much of what business analysts do is about perception and business expectation.

In a non-profit organisation, what is most valuable is its HR capacity, which enables the organisation to improve its ability to draw links between strategy and organisational performance. Most of such organisations know and are now emphatic that without certain unique knowledge and skills of their human resources, its ability and capacity to achieve or sustain its current level of performance will not prevail. It is non-profit organisations that can consistently link its strategy to performance and work towards achieving them that funders and stakeholders take more seriously and support (Stiles & Kulvsaechana, 2005).

Quite apart from what is perceived as good HR practices, it should also be possible for organisations to select a set of HR measures that could, in

turn, be linked to specific performance outcomes to enable researchers to either establish causality or extent of correlation between HR practices and performance. Once the organisation is able to identify a generic list of key measures and indicators of performance, it eases the measurement concerns it has over its human capital investments (Stiles & Kulvsaechana, 2005).

Some of the most common HR measures and indicators that researchers and consulting firms have suggested can basically be categorised into two: financial and non-financial outcomes or indicators. (Appendix 3). The financial indicators include revenue, profitability and rate of returns, while the non-financial ones include the quality of management; quality of products and services; level of customer satisfaction; strength of corporate culture; quality of investor communications; effectiveness of compensation policies; effectiveness of new product/programme development; leadership; ability to attract and retain talented people; quality of workforce; quality of employee training; employee turnover rates; and accessibility of management.

In spite of the effort made to identify good HR practices and acceptable performance measures or outcomes, causality still remains a very critical issue; it is difficult to prove the links between 'cause' and 'effect' of the organisation's HR practices in a complex working and social environment (Stiles & Kulvsaechana, 2005). Assigning causality is a challenge because an organisational context is an entirely different social environment. For instance, if the organisation is able to meet its goal and objectives, is it

because its human resource capacity quality has improved, or is it because the organisation has invested in better technology? Is it because the organisation is getting discretionary effort from its workforce due to its flexible working hours and conditions, or is it because employees have received better training or are being paid more than what its competitors' offer?

These difficulty, notwithstanding, if it can be shown with empirical evidence that there is a positive correlation between an organisation's HR and performance outcomes, it will serve a good organisational purpose to continue to invest in developing its HR capacity and to manage its human capital more professionally.

The conceptual framework for the study

The conceptual framework of this study focuses on the development of a conceptual HR capacity model as a systematic way of measuring how it fulfils the mission and strategic objectives of an organisation. To do this, each of the HR capacity elements including practices, processes and systems that directly or indirectly influences human capital formation and performance and how each of them relates to the achievement of organisational mission and strategic objectives. The conceptual framework of the study is illustrated in Figure 1.

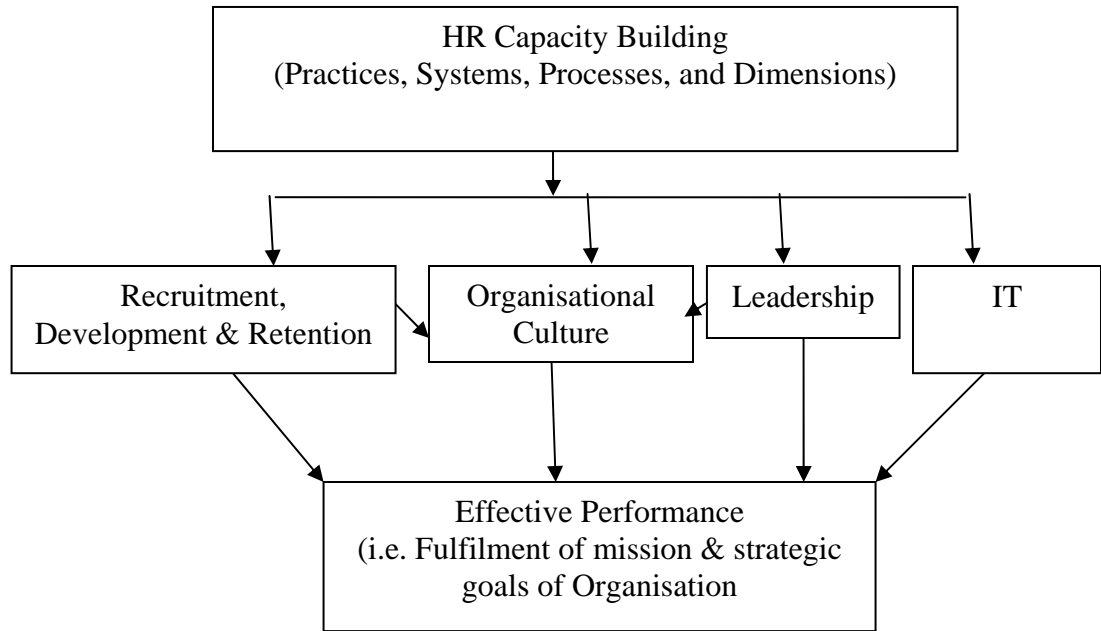


Figure 1: Conceptual framework for human resource capacity and organisation performance

Source: Author's construct

The conceptual framework (Figure 1) was developed after an extensive literature search and reviews on HR capacity building, its practices, processes, and systems. Aspects of HR capacity perceived to be key factors that affect performance effectiveness via human capital, serve as independent variables for the study. These included organisational leadership, organisational culture, computer and IT, and staff recruitment, training and retention. Performance effectiveness, which is a good measure of an

organisation's achievement of its mission and strategic objectives used as the dependent variable.

The study is an attempt to bridge the gap between HR capacity, human capital and organisational performance by providing a basis for a thorough and insightful discernment of human capital formation and its effective management. The model is a suggestion that the greater the extent to which these good HR elements of capacity are practiced within an organisation, the greater would be its ability or performance to meet its stated mission and strategic objectives.

HR capacity building practices, systems, processes, and dimensions are not only geared towards strengthening the skills, capabilities and knowledge of staff or workers for them to work effectively and efficiently but also getting the required number of staff at the right time and being able to maintain and retain them. Also conscious efforts need to be made in adopting well structured, focused and sustaining approach to personnel recruitment, development and retention. For an organisation to be sustainable and dynamic enough to deal with changing circumstances, the first and foremost issue to address is the recruitment, development and retention of employees. Recruitment ensures that a sufficient number of the right people at the right place and time are obtained. Without the necessary labour force in the qualities and quantities required, there can be no achievement of the organisation's objective. HR capacity building is closely linked to the recruitment procedure of an organisation. Moreover, training and

development is one of the means of meeting the capacity needs HR in any organisation.

Training alone may not bring about ultimate effectiveness and efficiency in any organisation. There should be measures to ensure that after training, the staff concerned are retained in the organisation. Other factors that would bring about organisational effectiveness and efficiency is the leadership and organisational culture. Leadership is key to creating and sustaining a successful organisation. The management should exhibit quality leadership at both strategic and operational level for maximum organisational performance. In today's business, organisational culture is viewed as a powerful tool; it portrays many facets of the workplace and is even used to quantify the way the organisation functions. The culture of an organisation is not only able to change, guide and display but also to offer significant contributions as it influences employees' interaction and performance within the organisation.

Finally, for an organisation to be effective and efficient employees should be provided with information technology (IT) knowledge and computer skills. Employees with the knowledge and skills in IT are uniquely positioned to function effectively and efficiently to contribute to the achievement of its goal and overall mission.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter covers the description of the study setting, study design, study population, sampling procedures, sources of data, research instruments, pilot testing, fieldwork, and data processing and analysis.

Study setting

ActionAid Ghana (AAG) is an Affiliate of ActionAid International anti-poverty Non- Governmental Organization (NGO) working in over 40 countries in Africa, Latin America and Asia. AAG began operations in Ghana in 1990 and now works with more than One Million (1,000,000) people in Upper East, Upper West, Northern, Volta, Greater Accra and Brong Ahafo Regions. ActionAid supports the basic needs and rights of the poor; it works at a practical level to improve their access to services, and lobbies government and others to change the policies and practices that affect their lives. AAG works with community groups and local organisations to change

the positions of poor people in the long-term (ActionAid International Strategy, 2005).

According to the Action Aid International Strategy (2005), AAG's goals include the following:

1. Poor and excluded people and communities will exercise power to secure their rights.
2. Women and girls will gain power to secure their rights.
3. Citizens and civil society across the world will fight for rights and justice.
4. States and their institutions will be accountable and democratic and will promote, protect and fulfill human rights for all.

The organogram of AAG has a 2-tier structure depicting a). Team-based organizational structure and b). Team structure which depicts the structure of a full-complement standard Programme Team at the decentralized programme level. The Team-Based Structure (T-BS) has the affiliate Programme leader, i.e. Country Director (CD) as the fulcrum, co-ordinating and facilitating all roles in the Affiliate Programme. However, with the wide span of roles: 3 thematic policy level roles; 6 Regional Programmes; several Projects; Child Sponsorship; Partnership Funding; HR/OD/Administrative; Finance; Impact Assessment & Shared Learning; Public Relations & Communication; Information Technology; and Internal Audit, the CD has a deputy to share the role co-ordination and facilitation. Technically, if all these roles were in one location and were one-person roles, we would have one

team only, facilitated by the CD. However the Programmes and Projects are spread across the country. And by ActionAid International organizational principle of decentralization, these Programmes and Projects will constitute local (regional) teams. Thus we have Programme Managers managing regional teams and partnership projects. By our structure the Head of Programmes who is also the Deputy Director co-ordinates the PMs for the CD (Action Aid International Strategy, 2005).

The Country Head Office is located in Accra whose roles require further breakdown, e.g. HR/OD/Admin; and Finance, constitute functional teams co-ordinated and facilitated by the Heads of those functions. At the decentralised Programme team level the Programme Manager (PM) co-ordinates and facilitates the work of the following units:

- i. Programmes;
- ii. Administration;
- iii. Finance; and
- iv. Fundraising and Sponsorship (ActionAid International Strategy, 2005).

Study design

The study is evaluative. According to Ledgerwood (1999) one key principle that guides such evaluative studies involves field surveys and the need to adopt a methodology that is both cost-effective and timely. The focus of the design for the study was not on lengthy and in-depth interviews, but rather on group discussions and other approaches more traditionally

associated with qualitative research. Specifically, self-completion field survey questionnaires were designed, and employed, along with limited telephone interviews to minimise cost and ensure timely completion.

A cardinal factor underpinning the design of the study was the importance of reliability, objectivity, and relevance of data gathered. That is, the pool of data collected should be sufficiently objective and reliable enough to have the capacity to inform strategy and policy. For this reason, a valid and reliable human resource assessment instrument that has a well-documented track record for its use in social and development studies was adopted. Slight modifications were, however, made to suit the circumstances of this study without violating the underlying principles.

Study population

The size of the study population was 80, consisting of senior managers, middle-level managers and non-supervisory (junior) staff of AAG. This was categorised into two groups: Category 'A' was made up of AAG's senior management staff (i.e. Directors, Heads of departments, and Regional Programme Managers; and Category 'B' that comprised middle level (supervisory) staff and non-supervisory staff of AAG (excluding supporting staff such as drivers, secretaries and security personnel). The total head count of Category 'A' staff was 15 while Category 'B' accounted for 65.

Sampling procedures

Two main types of sampling technique were employed. They were; probability sampling and non-probability sampling. With regards to the

probability sampling, the study made use of simple random sampling and stratified sampling. With regard to the non-probability sampling, the study used purposive sampling technique. As regards to the purposive sampling technique particular persons, because of their strategic positions or schedules were included in the samples. Some of such personalities include the Directors, Heads of departments and Regional Programme Managers which formed Category ‘A’. All the 15 units were selected for the sample.

With regard to the category ‘B’, the units were grouped (strata) under the various sections such as administration, information technology, finance and audit, etc. The lottery method was used to draw sample from each stratum (section) until the desired sample size was obtained as shown in Table 1. This was meant to give equal chance to members in the target population. A statistical table provided by Krejcie and Morgan (1970, cited in Sarantakos, (2005) was used to draw sample from each category ‘B’. The total sample size for category ‘B’ was 45. Therefore, the total sample size for the study was 60 drawn from a population of 80 (Appendix C).

Table 1: Sample distribution of respondents

Section	population	sample
HR/Adm.	14	10
Info/Tech	4	4
Prog.	44	32
Fin/Aud.	18	14
Total	80	60

Source: Data from AAG

Sources of data

The study made use of both primary data and secondary data. The primary data were obtained from the respondents through the use of questionnaires. The secondary data were obtained from books, newspapers, journals, articles, and the Internet as well as conference papers on the subject matter.

Research instrument

The study was undertaken using questionnaires. Copies of the questionnaire were given to the respondents. The questionnaire included closed and open-ended items. The questionnaire was made up two sections; section I comprised the background of respondents such as age, sex, marital status, educational qualification, etc. Sections II addressed the research questions. It covered questions on the leadership of Action Aid, staff recruitment, training and retention, organisational culture and computer and information technology.

Pilot testing

A pilot testing of the instrument was undertaken at World Vision Ghana. This enabled the researcher to test the validity of his research instruments for correction if necessary. The validity and reliability of the instruments were checked by the use of the combat alpha. The choice of World Vision was deemed appropriate as it has so many characteristics in common with Action

Aid Ghana.

Field work

The commencement of the fieldwork took place within the second week of December, 2008 after the research assistants have been trained. The research assistants assisted in the collection of the raw data from the field. It lasted for a period of five weeks. During this period, the main researcher and three assistants went to the field to administer the questionnaires.

It was difficult getting some respondents to fill the questionnaire owing to the busy nature of their work. Some of the questionnaires could not also be accounted for by respondents. Also, the rate of collection was slow since some of the respondents delayed the process.

Data processing and analysis

The completed questionnaires received from respondents were first subjected to verification for accuracy and reliability. Thereafter, the next step was to collate and treat the responses statistically using simple regression and correlation techniques with the aid of the Statistical Product and Service Solution (SPSS) version 13. The views expressed by respondents were presented using frequencies and percentages.

Responses to the various sections of the questionnaire were analysed concurrently to address the objectives of the study. Responses to each question in the questionnaire were rated with a five-point Likert-type scale and analysed under each of the thematic HR capacity areas, along the lines of the study variables. Generally, the study analysis format used consisted of the

following: (i) a reliability analysis; (ii) description analysis, and (iii) interpretation and discussion of findings.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

Introduction

The presentation, analysis and discussion of data is grouped under two main categories. The first category tackles the characteristics of respondents with regard to sex, educational background, age, occupation, and employment grade of the respondents. The other category addressed the research questions.

General survey responses and response rate

Out of the 60 questionnaires administered to respondents, 54 were returned, representing a response rate of 90 percent (n=60) for the study. Three instruments were returned, incomplete, resulting in a usable response rate of 85 percent (n=51). To control for non-response error, late respondents (n=12) were compared to early respondents (n=39) on the variables: gender, age, employment/occupational category, and educational status. No significant differences were found; therefore, the results of the study can be generalised to the study population.

Profile of Respondents

The respondents for the study were made up of the senior managers, middle-level managers and non-supervisory (junior) staff of AAG. The male respondents were 40 (78.0 %) out of 51. What this means is that the staff composition of the AAG was male dominated. It is to be noted, however that there was no female from the computer/information technology unit of the organisation as shown in Table 2.

The five survey respondents from the information technology unit were male. Majority of respondents (30) were from the programmes unit, the core unit within the organisation in charge of the implementation and monitoring of activities.

Table 2: Gender and Occupational profile of respondents

Gender	Male		Female		Total	
	No.	%	No.	%	No.	%
HR/Adm.	8	20.0	2	18.2	10	19.6
Info/Tech.	2	5.0	0	00.0	2	3.9
Prog.	24	60.0	6	54.5	30	58.8
Fin/Aud.	6	15.0	3	27.3	9	17.7
Total	40	100.0	11	100.0	51	100

Source: Survey data, 2009.

The programmes unit has the largest number (58.8%) of employees. Respondents from the remaining units, ie. HR/Administration, Finance and

Audit, were 10 and 9 respectively.

Table 3 shows the age distribution of respondents per unit of AAG. It reveals that most respondents (92%) were below age 55 years; a slight majority of 45 percent were aged between 41 and 55 years, with 47 percent being in their prime ages of 21 and 40 years. Only four respondents were closer to the retirement age of 60 years. This is an indication that AAG has a youthful, active and energetic workforce, who most likely may opt to remain in the service of the organisation for relatively longer periods if they are properly managed.

Table 3: Age and Occupational profile of respondents

Age Group	HR/ Admin.	Info. Tech.	Programmes	Finance & Audit	Total	(%)
21- 40	3	2	11	8	24	47.0%
41-55	5	-	16	2	23	45.0%
55+	2	-	2	-	4	8.0%
Total	10	2	31	8	51	100.0

Source: Survey data, 2009.

The educational background of the respondents are presented in Table 4. It shows that most of them were university graduates; an indication that majority of them (63%) were highly qualified. The entire AAG's workforce therefore, appear to be rich in talent, skills and knowledge. Only 37 percent were non-university graduates and they mostly belonged to the programmes unit.

Table 4: Educational and Occupational profile of respondents

Educational Level	HR/ Admin.	Info. Tech.	Programmes	Finance & Audit	Total	(%)
University	6	2	18	6	32	63.0%
Non-university	4	-	11	4	19	37.0%
Total	10	2	30	9	51	100.0%

Source: Survey data, 2009.

Table 5: Gender and Employment Grade of Respondents

Position/grade	Male	Female	Total	(%)
Senior Management	2	2	4	7.8
Middle Management	20	5	25	49.1
Non-supervisory (Junior) Staff	18	4	22	43.1
Total	40	11	51	100.0

Source: Survey data, 2009.

The survey results were subjected to three key analytical techniques: a reliability test; means and standard deviation tests; and correlation analysis. The analyses covered respondents' perception of each of the four aspects of HR capacity with respect to practices, systems and processes. The outcomes of these analyses are presented and discussed. Details of analyses and the results of the various tests have been placed in the study's survey database (Appendix 2).

The study considered as negative all scores of 49 percent or less (i.e., poor or very poor) and as positive, scores of 50 percent or more (i.e., high and very high). In all cases, the dominant score emanating from the frequency of responses is used as an indication of whether respondents perceive any HR practice or HR capacity dimension either as positive or negative, thus, requiring an attention by the organisation.

In addition to the scores and perceptual ratings, the mean scores and standard deviations of the frequency of responses to each HR capacity aspect is also used and interpreted as follows: a high mean score (above 3.60) indicates that respondents perceive that HR practice or dimension as positive, while a low mean score (less than 3.50) implies a negative perception. Moderate perceptions are those mean scores that fall within 3.50 and 3.60. The standard deviations, however, merely serve as a guide as to the extent of the dispersion of the responses around each specific HR practice.

Leadership

The results of the survey show that, generally, respondents are of the view that the degree of the impact of leadership on the organisation in meeting its mission and strategic objectives is weak (or negative) and insignificant. They are of the opinion that the leadership of AAG do not exert enough influence on the performance of its HR capacity in meeting its set goal and objectives.

The study sought to find out the senior management's perception of leadership. Detailed responses are presented in Table 6. The senior

management category perceived the various leadership dimensions or practices of the organisation to be negatively related to its ability to fulfil its mission and strategic objectives. They, therefore, rate them as either poor or very poor; implying they have no links with its HR capacity. It was revealed that majority (75%) of the senior management have positive perception on the strategic planning policies of the AAG. Also majority (70%) had good perception on the female gender capacity and career development.

Table 6: Senior management’s perception of leadership

HR Practice/Process	Perceptual Rating & Score (%)	
	Negative	Positive
Fostering external strategic partnerships	45	
Strategic planning		75
Setting performance standards	43	
Pursuit of organisation’s mission, vision and values	45	
Linking organisation’s priorities and objectives to its strategy	41	
Female gender capacity and career development		70
Achievement of mission and strategic Objectives	34	

N = 4

Source: Survey data, 2009.

The study also sought to identify the perception of leadership by the middle – level management categories. It is striking that employees who belong to middle-level management have extremely poor perception of almost all leadership practices and processes of AAG. They score each

dimension of them below 30 percent as compared to senior management staff (whose score is above 40% in each case) as shown in Table 7. This is an indication that they do not view its leadership in general to be supportive enough in helping the organisation in fulfilling its mission and strategic objectives.

Table7: Middle-level Management’s Perception of Leadership

HR Practice/Process	Perceptual Rating & Score (%)	
	Negative	Positive
Fostering external strategic partnerships	30	
Strategic planning		72
Setting performance standards	26	
Pursuit of organisation’s mission, vision and value	20	
Linking organisation’s priorities and objectives to its strategy	36	
Female gender capacity and career development		68
Achievement of mission and strategic Objectives	46	

N = 25

Source: Survey data, 2009.

Table 8 also reveals a striking situation about the perception of leadership by the non-supervisory staff category. They also have very poor perception of almost all leadership practices and processes of the organisation. They score each dimension of them below 30 percent (Table 8) as compared to senior management staff (whose score is above 40% in each case). Moreover, this is also an indication that they do not view its leadership in general to be supportive enough in helping the organisation in fulfilling its

mission and strategic objectives.

Table 8: Non-supervisory staff's Perception of Leadership

HR Practice/Process	Perceptual Rating & Score (%)	
	Negative	Positive
Fostering external strategic partnerships	27	
Strategic planning		64
Setting performance standards	30	
Pursuit of organisation's mission, vision and values	28	
Linking organisation's priorities and objectives to its strategy	28	
Female gender capacity and career development		57
Achievement of mission and strategic Objectives	29	

N= 22

Source: Survey data, 2009.

The general perception of employees is that people in leadership roles exert has very minimal and in many cases, insignificant influence on the achievement of the organisation's mission and strategic objectives. This is an unfavourable perception employees have of AAG's management practice; it does not convey a good image of AAG as a whole.

Leadership, according to Kotter (1996), is the key to creating and sustaining a successful organisation in the twenty first century. It is, therefore, important that the leadership of an organisation is 'knowledgeable about how various factors may directly or indirectly impact the organisation's reputation,

customer loyalty, skill sets, growth potential and even its bottom line'. Anything short of that may be described as an unacceptable development that needs to be addressed.

In a study by Rudman (2002), for instance, he suggests that leadership, especially by top management (i.e. board of directors), could add considerable value to an organisation's performance beyond motivating employees, or influencing workers to work harder towards the achievement of the organisation's goals and objectives. The leadership should, therefore, have the capacity to inspire employees with the vision to make things happen. In fact, it is important that leadership personnel exercise a greater influence over the organisation's direction, its staff motivation, and its overall performance (Horton et al., 2003). Leadership should be in a position to define the overall capacity to lead and connect employees to the organisation through their heads, their hands and their hearts.

In another study by Mackey et al, (2002), they also argue that contemporary management requires the top management to exhibit quality leadership at both a strategic and an operational level for maximum organisational performance. It must show the initiative in developing and introducing development planning and career development processes for both its managers and employees in other functions and responsibility in order to meet its set goal and objectives.

Even though it is usually at the operational level that line and functional managers' action in everyday organising, controlling and

management of work and employee performance is determined, the top leadership of the organisation should demonstrate support in terms of policy initiation, strategy planning, fostering external strategic partnerships, setting performance standards, and pursuing the organisation's mission, vision and values at a higher level. Unfortunately, the findings of this study did not support these conclusions. Since AAG is an NGO, it is expected that like all NGOs, the major concern of stakeholders and funders is its ability to achieve set goals and overall mission and not in financial indicators of performance. It is, therefore, essential that AAG's leadership re-focuses its vision and direct resources towards improving external strategic partnerships and the pursuit of the mission and strategic objectives of the organisation as stipulated in its CSPIII document.

Staff recruitment, training and retention

The study sought to find out the perception of senior management on recruitment, training, and retention. It was revealed that favourable responses were averred for all aspects of the organisation's HR capacity building strategic policy regarding selective recruitment, training, and retention as shown in Table 9.

Table 9: Respondents' Perception of Recruitment, Training and Retention

HR Practice/Process	Senior		Middle-level		Non-supervisory		
	negative	positive	negative	positive	negative	positive	
Emphasis on effective recruitment Programmes		94		88		85	
Employee career development		68	44		35		
Transfers and career progression planning		80		72		70	
Performance Appraisal		86		74		68	
Performance-based Rewards & Benefits system		75		72		65	
Achievement of mission and strategic objectives		81		73		74	
		N = 4		N = 25		N = 22	

Source: Survey data, 2009.

The perception of middle- level management and non-supervisory staff on recruitment, training, and retention also saw positive inclination for almost all aspects of the organisation's HR capacity building strategic policy as shown in Table 9.

The survey results indicate that, generally, respondents have positive perceptions of most aspects of AAG HR capacity building efforts and strategic policy formulation regarding recruitment, training and retention.

The only aspects or dimensions of the staff recruitment, training and

retention policy strategy that most employees have negative perceptions of is “employees’ career development”. Both middle-level management staff and junior employees, who are in the majority, view it to be negatively related to performance (a percentage score of below 50); an indication that those dimensions do support HR capacity in fulfilling the mission and strategic objectives of the organisation. On the contrary, respondents from senior management category view it as positive and give it a score of 68 percent.

In spite of the few negative perceptions of certain aspects of the recruitment and staff development policy, the general perceptual rating was positive according to the survey findings; an indication that most employees consider that aspect of HR capacity building to be critical to the enhancement of human capital performance. This is not surprising; it even goes to confirm some previous empirical studies undertaken by Guest, et al (2000), Delery and Doty (1996), and Patterson, et al (1997) on human capital and organisational performance.

For instance, in a study by Guest, et al (2000), they reviewed a number of HR practices and similarly concluded that an effective and progressive use of recruitment and selection, training and development practices, as well as performance appraisal and communication of an organisation is not only linked to superior performance; it is also linked to perceptions of positive employee attitudes and behaviour. In another study by Delery and Doty (1996), they arrived at the conclusion that HR practices and policies that focus on results-oriented appraisals, internal career opportunities

and employment security have relatively strong universalistic relationships with measures of performance. Delaney et al (1996) also conclude that HR practices and policies in critical HR capacity areas such as staffing selectivity and compensation and training, among others, are positively related to perceptual measures of organisational performance.

According to Wilde and Shields (2002) seeking pools of qualified professionals through the implementation of sourcing strategies that attract applications from a diverse range of high-performing candidates and also ensuring objective selection against relevant criteria are the best approaches to building “the best slate of candidates” towards meeting organisational mission and strategic objectives. Therefore, enticing and improving skills should be part of staff recruitment and training processes, which, according to Nadler and Wiggs (1986:5), should focus on “learning the skills, knowledge, and attitudes required to initially perform a job or task or to improve upon the performance of a current job or task ”.

The findings made by this current study is, therefore, essentially important in advancing the research literature by contributing to the empirical evidence of the association between HR capacity and the achievement of goals and objectives of the organisation. With respect to AAG, it is expected that the current open staff recruitment and development strategy that focuses on women and seeks to entice a diverse range of high-performing new employees will not only deepen the knowledge base of the organisation in terms of skills, attitude and experience, but in addition create a cultural

diversity needed to enhance performance.

Organisational Culture

Table 10 presents the scores of each of the three occupational categories, on their perceptions of organisational culture. The results indicate that generally, most respondents have good and positive perceptions of the organisation's culture, especially those practices and systems that relate to the "promotion of high-quality work and respectful work relations" (M = 3.82, SD = 0.66), "internal communications" (M = 3.75, SD = 0.64); "innovation" (M = 3.74..., SD = 0.68) and the "encouragement of staff behaviours consistent with desired cultures of learning and knowledge" (M = 3.72, SD = 0.61) in order of priority ratings. These four dimensions or practices of the organisation's culture had very high perceptual scores by all categories of AAG's staff.

Regarding respondents' perception of "supportiveness" as a cultural practice of AGG, the views of senior management staff differ sharply from those of the two other categories (i.e. middle-level and non-supervisory staff of AAG). Whereas employees belonging to the former category consider "supportiveness" (62%) to be moderately and positively linked to the achievement of AGG's goal and objectives, respondents from the two latter categories think otherwise; each of them scores it below 40 percentage points; implying that "supportiveness" as a HR cultural strategy or policy is not enhancing the fulfilment of the organisation's mission and strategic

objectives. However, all respondents, regardless of age, occupational standing or qualification, overwhelmingly agree that the "emphasis on rewards system" by the organisation (average score of 34%), is poorly linked to the organisation's performance.

Table 10: Respondents' Perception of Organisational Culture

HR Practice/Process	Senior		Middle-level		Non-supervisory		
	negative	positive	negative	positive	negative	positive	
Supportiveness		62	38		41		
Promotion of high-quality work & respectful work relations		72		71		75	
Encouraging staff behaviours consistent with desired cultures of learning and knowledge		82		88		69	
Internal Communication		85		85		79	
Emphasis on rewards system	46		41		39		
Innovation		71		82		75	
Achievement of mission and strategic objectives		75		68		67	
		N = 4		N = 25		N = 22	

Source: Survey data, 2009.

In today's business environment, organisational culture is viewed as a powerful tool; it portrays many facets of the workplace and is even used to quantify the way the organisation functions (Gray, Densten, & Sarros, 2003). Many research studies confirm the culture of an organisation not only able to change, guide and display but also to offer significant contributions through its influence employees' interaction and performance within the organisation

(Gray, et al 2003).

Nel et al (2004) did a study on organisational culture, strategy and managerial style. Their findings confirm the findings of this study. Their findings also go to support the position argued by Barney (1995) that a positive organisational culture is linked to increased employee alignment; often resulting in enhanced strategic direction, increased employee productivity and high levels of employee commitment.

The study findings (Table 10) on "innovation" and "effective internal communication" in particular, confirm earlier findings by Ichniowski, et al (1997) on HR capacity and employee performance. Their empirical work similarly established a positive link between HR performance and organisational culture. Specifically, they concluded that “innovation through worker involvement in teams” and “enhanced labour management communication” have positive relationships with organisational performance. In another study by MacDuffie (1995), he found out that interrelated elements in an internally consistent HR system do contribute to firm performance.

Computer and Information Technology

Almost all respondents do acknowledge that the training of employees in the use of computers and IT systems as part of HR capacity support is helping to bring about “improved IT skills among staff” and “more effective use of IT applications”. Majority (89%) of respondents believe the organisation has taken appropriate measures to significantly improve the computer and IT skills of employees; and, therefore, have the perception that

it is enhancing the productivity of the organisation through improved performance by its human capital.

Table 11 presents the detailed perceptual scores of all respondents across the three occupational categories.

Table 11: Respondents' Perception of Computer and Information Technology

HR Practice/Process	Senior		Middle-level		Non-supervisory	
	Negative	positive	negative	positive	negative	positive
Improved IT skills among staff	95		88		84	
More effective use of IT Applications	96		77		65	
Staff capability & Experience in Computer/IT	65		48		35	
Achievement of mission and strategic Objectives	93		75		78	
	N = 4		N = 25		N = 22	

Source: Survey data, 2009.

Even though the survey findings show that effective IT use positively relates to effective performance of AAG, most middle-level and non-supervisory staff believe that its employees still do not possess the capability and experience in computer literacy and IT skills; only senior management of the AAG have the perception that the employees are equipped with the skill levels to perform their jobs.

This lack of consensus or apparent diversity in perception may be attributed to the following reasons assigned by respondents: (i) AAG is not

channelling enough resources towards staff training and use of computers and IT; (i) employees' skill in the development of new software applications and systems is not receiving adequate top management support; (iii) the pace of overall staff capacity development in computer and IT use as well as in software applications is a bit too slow; and (iv) the training and capacity building in IT in particular is concentrated on the senior management, and a few middle-level employees.

In this computer age and competitive global environment, IT is used to enhance internal communications that support the sharing and use of information and knowledge, and to also allow faster access to information and decision making. In addition to that, the computerisation of the AAG's HR practices as part of its capacity building efforts, ultimately helps streamline operational aspects of HR, improves administrative efficiency, and thus motivates employees to perform more effectively.

This thinking is supported by a study conducted by Lengnick-Hall and Moritz (2003), who have made the prediction that, eventually, the HR's responsibility will shift from hands-on, face-to-face, service delivery to system design and maintenance functions. They further argue that HR will need more IT knowledge and skills than they have had in the past to deliver expected performance outcomes.

Providing employees with IT knowledge and computer skills and encouraging its use enable human resource department, as an entity and its employees, particularly those in senior or supervisory positions, to take a

more active role in the organisation's strategy formulation and implementation. Employees with the knowledge and skills in IT are uniquely positioned to function effectively and efficiently to contribute to the achievement of its goal and overall mission.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The chapter presents the summary of the main findings, the conclusions and recommendations on how to improve the organisation's human resource capacity.

Summary

The study which was exploratory sought to determine the human capacity needs of AAG in the fulfilment of its mission and strategic objectives. The study concentrated on the staff of AAG, which formed the population for the study consisting of senior managers, middle-level managers and non-supervisory (junior) staff of AAG. It was from this population that a sample size of 60 was drawn. However, the study used 51 out of the 60. Purposive sampling, stratified sampling, and simple random sampling were the main sampling technique employed. Questionnaire was the main instrument for the data collection. Data were collected from the field with the assistance of three research assistants. For the analysis, descriptive and analytical methods were used the aid of the SPSS.

The main findings of the research were:

The majority of the respondents were of the view that the degree of the impact of leadership on the organisation in meeting its mission and strategic objectives is weak (or negative) and insignificant. Moreover, the majority of the respondents have the perception that the organisation's leadership policy on the promotion of "female gender capacity and career development" has a slight positive impact on human resource performance.

The majority of the respondents have good and positive perceptions of AAG's culture, especially cultural practices and systems that relate to the "promotion of high-quality work and respectful work relations" (M = 3.82, SD = 0.66), "internal communications" (M = 3.75, SD = 0.64); "innovation" (M = 3.74..., SD = 0.68) and the "encouragement of staff behaviours consistent with desired cultures of learning and knowledge" (M = 3.72, SD = 0.61) in order of priority ratings.

Majority (89%) of respondents believe the organisation has taken appropriate measures to significantly improve the computer and IT skills of employees; and, therefore, have the perception that it is enhancing the productivity of AAG through improved performance by its human capital.

The study findings enhance our understanding of the HR capacity efforts and human capital performance within the NGO sector of the Ghanaian economy. The findings further stress the need to monitor HR capacity building and support systems and to evolve better HR practices so

that talented employees will remain committed and dedicated to the organisation at a high level.

In other words, the findings do have practical implications for NGO management in development programmes consistent with the training needs of the employees in the organisation. Hence, employees will be likely to perform better and, in turn will develop more commitment towards their organisations. Finally, strong HR capacity building strategies, blended with effective HR practices in such organisations may give advantage over other organisations in attracting and retaining employees in a competitive environment.

Conclusions

The study concludes that, despite its importance to the any organisation's success, the employees of AAG have unfavourable perception on the organisation's leadership. Moreover employees' career development as far as the organisation's staff recruitment, training and retention programmes was not favoured especially by middle and junior staff of AAG.

Cultural practices and systems that relate to the promotion of high-quality work and respectful work relations, internal communications, innovation, and the encouragement of staff behaviours consistent with desired cultures of learning and knowledge received favourable responses from the employees. The respondents posit that the organisation has taken appropriate measures to significantly improve the computer and IT skills of employees.

Recommendations

Based on study findings, the following recommendations are made for the consideration of AAG's management:

1. The organisation should continue with the implementation of its strategic recruitment and retention strategy. The strategy should include the preparation of the organisation's environment to attract various types of talented employees and less reliance on traditional recruitment methods which no longer necessarily hold in a competitive and global environment. More non-traditional arrangements such as employee student loan repayment and recruitment/retention bonuses may be needed.
2. The key HR staff and leadership of the organisation should be sponsored for training in specific competencies to enable them supervise and manage its human capital in a non-traditional work setting. This is the key to providing an environment that can retain new recruits and make sure they remain committed to the organisation.
3. As part of the strengthening of the staff capacity of AAG, the organisation should aggressively pursue a programme aimed at developing the computer knowledge and skills of its core HR staff, professional employees and young university graduates who join it to ensure smooth, efficient and effective performance. The world is changing more rapidly than ever before and it is expected employees perform at much higher levels, differences in human conditions notwithstanding. Though differences in human conditions may have an impact on how individual employees perceive their environment, or interpret information and

resolve their problems, but by and large, these differences should be seen as an asset to stimulate and enhance development and to enable them become part of solving problems process of the organisation.

4. Leadership of the organisation should re-focus its vision on and re-direct resources towards improving external strategic partnerships in its pursuit of the strategic objectives of the organisation. Their major concern and priority should be to clearly define the organisation's overall capacity to lead and connect employees to the organisation through their heads, their hands and their hearts.
5. AAG should develop a coherent human capital blueprint that comprehensively describes its human capital framework and establishes a process for its leadership to systematically monitor the alignment and success of these initiatives relative to the mission and strategic objectives. Such a blueprint would be beneficial in: (i) promoting an organisation-wide understanding of the human capital programmes, (ii) clearly delineating roles and responsibilities, and (iii) establishing a tool for assessing progress toward set goals and strategic objectives.
6. The ownership and board of directors of the organisation of AAG, as a matter of urgent, ought to take another look at its HR practices and policies and re-align them in such a way as to influence the attitudes and behaviours of employees.

REFERENCES

- Action Aid Ghana. (2007). Annual report. Accra: Action Aid Ghana.
- Action Aid International Strategy. (2005). *Right to End Poverty*, Ghana: Action Aid International
- Arnold, H. J., & Fieldman, D. C. (1982). A multivariate analysis of the determinates of turnover. *Journal of Applied Psychology*, 67: 350-360.
- Arthur, J. B. (1992). The link between business strategy and industrial relations systems in American steel mini mills. *Industrial and Labour Relations Review*, 45:488-506.
- Arthur, J. B. (1994). Effects of human resource systems in manufacturing performance and turnover. *Academy of Management Journal*, 37:670-687.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17:99-120.
- Barney, J. (1995). Looking inside for competitive advantage. *Academy of Management Executive*, 9(4): 49-61.
- Bartel, A. P. (1994). Productivity gains from the implementation of employee training programs. *Industrial Relations*, 33: 411-425.
- Bassi, L., Harrison, P., Ludwig, J. & McMurrer, D. (2001) *Human capital investments and firm performance*. London: Pitman Publishing.

- Baysinger, B. D., & Mobley, W. H. (1983). Employee turnover: Individual and organisational analysis, In K.W. Rowland & G. R. Ferris (Eds.) *Research in personnel and human resource management* (pp269-319) Greenwich, CT: JAI Press.
- Becker, B. E. & Gerhardt, B. (1996). The impact of human resource management on organisational performance: Progress and prospects. *Academy of Management Journal*, 39, 779-801.
- Becker, B. E., & Huselid, M. A. (1992). Direct estimates of SD and the implications for utility analysis. *Journal of Applied Psychology*, 77, 227-233.
- Becker, G. S. (1964). *Human capital*. New York: National Bureau of Economic Research.
- Best, M. (1990). *The new competition: institutions of industrial restructuring*. (3rd ed.), London: Polity Press
- Coleman, J. S. (1998). Social capital in the creation of human capital. *American Journal of Sociology*, 94, 95-120.
- Delaney, J. E., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organisational performance. *Academy of Management Journal*, 39, 949-969
- Delery, J., & Doty, D. H. (1996). Modes of theorising in strategic human resource management: Test of universalistic, contingency and configurational performance predictors. *Academy of Management Journal*, 39, 802-835.

- Denison, E. F. (1962). *The sources of economic growth in the United States and the alternative before us*. New York: Committee for Economic Development,
- Denison, E. F. (1967). *Why growth rates differ*, New York: The Brookings Institute
- Dess, G. D., & Picken, J. C. (1999). *Beyond productivity: How leading companies achieve superior performance by leveraging their human capital*. New York: American Management Association.
- Derick, I., & Cool, K. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35,1504-1511.
- Douglas, H., Alexaki, A., Bennett-Lartey, S. & Brice, K. N. (2003) Evaluating capacity development: Experiences from research and development organizations around the. Canada- Ottawa: International Development Research Centre.
- Gerhardt, B., & Milkowich, G. T. (1990). Organisational differences in managerial compensation and firm performance. *Academy of Management Journal*, 33, 663-691.
- Gratton. L., & Ghoshal, S. (2003). Managing personal human capital: New ethos for the 'volunteer' employee. *European Management Journal*, 21, 1-10.
- Gray, J. H., Densten, I. L., & Sarros, J. C. (2003). A matter of Size: Does organisational culture predict job satisfaction in small organisations?' Working Paper, Faculty of Business and Economics, Monash

University.

Guest, D. E., Michie, J., Sheehan, M., Conway, N., & Metochi, M. (2000).

Effective people management: Initial findings of the Future of Work study. London: Chartered Institute of Personnel and Development.

Human Development Report. (2007). *United Nations Development Program*, New York: Oxford University Press

Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*, 38, 635-670.

Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, 39, 949-969.

Ichniowski, C., Shaw, K., & Prennushi, G. (1997). The effects of human resource management practices on productivity; a study of steel finishing lines. *The American Economic Review*, 87, 291-313.

Kotter J. P. (1996). *Leading change; Business & Economics*, Boston: Harvard University Press.

Ledgerwood, J. (1999). *Sustainable banking with the poor: Microfinance handbook*. Washington, D.C: World Bank.

Lengnick-Hall, M., & Moritz, S. (2003). The impact of e-HR on the Human Resource Management Function. *Journal of Labour Research*, 24(3), 1-3.

MacDuffie, J. P. (1995). Human resource bundles and manufacturing

- performance: Flexible production systems in the world auto industry.
Industrial Relations and Labour Review, 48, 197-221.
- Mackey, A., & Whetten, D. A. (2002) A Social Actor Conception of
Organisational Identity and its Implications for the Study of
Organisational Reputation . *www.reputationinstitute.com*
- Maurping, L. M. (2002). Human capital and firm performance:
Understanding the impact of employee turnover on competitive
advantage. Proceedings of the Academy of Management Conference,
Denver.
- McNamara, C. (1997). Field guide to leadership and supervision in business.
Authenticity Consulting, LLC
- Meyer, D., Madden, D., & McGrath, D. J., (2004). *The National Centre for
education statistics*. Washington D. C.: The Brookings Institute
- Miles, R. E., & Snow, C. C. (1978). *Organisational strategy, structure, and
process*. New York: McGraw-Hill.
- Mincer, J. (1958). Investing in human capital and personal income
distribution. *Journal of Political Economy*, 66 (4) pp. 281-302.
- Mullins, T. (1996). *Management and Organisational Behaviour*. London:
Pitman Publishing.
- Nadler, L., & Wiggs, G. D. (1986). *Managing human resource
development*. San Francisco, California, U.S.A.: Jossey-Bass Inc Pub
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital and the

- organisational advantage. *Academy of Management Review*, 23, 242-266.
- Nel, P. S., van Dyk, P. S., Haasbroek, G. D., Schultz, H. B., Sono, T. & Werner, A. (2004). *Human resource management*. (6th ed.) Cape Town: Oxford University.
- Nkomo, S. M. (1987). Human resource planning and organisational performance: An exploratory analysis. *Strategic Management Journal*, 8, 387-392.
- Patterson, M. G., & West, M.A. (1997). Impact of people management practices on business performance. London: Institute of Personnel and Development.
- Pfeffer, J. (1994). *Competitive advantage through people*. Boston: HBS Press
- Psacharopoulos, G. (1973). *Returns to education: An international comparison*. New York: Jossey-Bass, Elsevier
- Rudman, C. (2002). Closing the gap between current capabilities and future requirements in human resource management in New Zealand *Journal of Global Business and Technology*, 25, 443- 490
- Rumelt, R. (1984). Towards a strategic theory of the firm. In R.Lamb (Ed.) *Competitive strategic management* (556-570). Englewood Cliffs: Prentice-Hall.
- Russell, J. S., Terborg, J. R., & Powers, M. L. (1985). Organisational performance and organisational level training and support. *Personnel*

- Psychology*, 38, 849-863.
- Sarantakos, S. (2005). *Social research* (3rd ed.), New York: Palgrave Macmillan.
- Schultz, T. W. (1963). *The economic value of education*. New York: Columbia University Press.
- Schultz, T. W. (1971). *Investments in human capital*. New York: Macmillan.
- Schultz T. W. (1997). *Investing in people*. , Univ. of California Press, Berkeley
- Smit, M. (2006). HR, Show me the money; Presenting an exploratory model that can measure if HR adds value. U. K: Routledge
- Smith, A. (1976). *The wealth of Nations*, Book 2. London: Routledge.
- Snell, S. A., Youndt, M. A., & Wright, P. M. (1996). Establishing a framework for research in strategic human resource management. Merging resource theory and organisational learning. In G.Ferris (Ed.) *Research in personnel and human resource management* (pp 61-90).
- Stiles, P., & Kulvisaechana, S. (2005). Human Capital Performance. Judge Institute of Management. Cambridge: University of Cambridge.
- Storey, J. (2001). Human resource management today: An assessment in J. Storey (ed) *Human resource management: a critical text* (2nd ed.), Thomson, London.
- Sutton R. I. (1999) *The Knowing-Doing Gap How Smart Companies*

Turn Knowledge into Action .Management General's Best
Management Book of 2000,

Taylor, F. W. (1911). *The principles of scientific management*. Harper and
Row, New York.

Terpstra, D. E., & Rozell, E. J. (1993). The relationship of staffing practices
to organisational level measures of performance. *Personnel
Psychology*, 46, 27-48.

Venkatraman, N. (1989). The concept of fit in strategy research. Toward a
verbal and statistical correspondence. *Academy of Management
Review*, 14, 423-444.

Weitzman, M. L., & Kruse, D. L. (1990). Profit sharing and productivity. In
A.S. Blinder (Ed.) *Paying for productivity*, 95-141. Washington:
Brookings Institution.

Wickens, P. (1987). *The road to Nissan*. London: MacMillan

Wilde, V., & Shields, P. (2002). Diversity – Positive Recruitment:
Guidelines and Tools for the Future Harvest Centres, CGIAR Gender
and Diversity Program Working Paper, No. 36 (October).
Washington, DC.

Wright, P. M., Dunford, B. B., & Snell, S. A. (2001). Human resources and
the resource-based view of the firm. *Journal of Management*, 27, 701-
721.

Yeung, A., & Ulrich, D. (1990). Effective human resource practices for
competitive advantage: An empirical assessment of organisations in

transition. In Niehaus, R. J., & Price, K.F. (Eds.) *Human resource strategies for organisations in transition*, (pp311-326), New York: Plenum.

Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal*, 39, 836-866.

APPENDIX A

Study Questionnaire

Introduction

As part of the requirements for the award of a Masters Degree in Human Resources Management, candidates are to present a thesis on selected topics to the Academic Board of the University of Cape Coast. It is in pursuit of this that Esther Boateng has opted to assess the " Staff perception of Action Aid Ghana's human resource capacity building effectiveness".

This study questionnaire is, therefore, being administered to staff of Action Aid Ghana to solicit responses that will serve as relevant data for the study.

Respondents are hereby assured of strict confidentiality and anonymity at all times before, during and even after the presentation of the Thesis. Your kind support and candid responses to the attached questionnaire is highly anticipated with a lot of thanks and much appreciated

THANK YOU!!!!

SECTION I

Biological and Occupational Data

1. Kindly provide the following information:

2. Name: _____ Age: _____

3. Gender: Male/Female (Please tick)

4. Unit: _____ Position: _____ Occupation: _____

5. PhoneNo: _____ Email: _____

6. Would you be willing to talk to me later about some of the organisation's key achievements or major challenges? Yes/No

7. Do you have any comments on this study questionnaire? Yes/No

8. If yes, please state any comments you have:

Q8 How long have you been working with the organisation?

(i) Under 1 yr

(ii) 1 - 3 yrs

(iii) 5 - 10 yrs and

(iv) Above 10 yrs *

SECTION II

Human Resource Capacity Elements and Dimensions

Kindly select only ONE response per line in response to the following sets of questions:

A. Leadership of ActionAid Ghana.

1. How do you rate the following leadership policies, practices and functions at AAG?

- Fostering external strategic partnerships

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Strategic planning

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Setting performance standards

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Pursuit of organisation's mission, vision and values

i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Linking organisation's priorities and objectives to its strategy

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Female gender capacity and career development

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

B. Staff Recruitment, Training and Retention

1. How do you rate the following HR policies, practices and functions at AAG?

- Emphasis on effective recruitment programmes

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Implementation of new employee orientation programme

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Recruiting and retaining key management personnel

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Recruiting & Retaining qualified middle-level staff

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Employee career development

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Transfers and career progression planning

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Creating opportunities for individual progression across functions for all genders

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Creating opportunities for promotion or expansion -in-position for all high performers (Male/Females)

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Performance Appraisal

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Performance-based Rewards & Benefits system

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

C. Organisational Culture

- Employee support by the organisation

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Promotion of high-quality work & respectful work relations

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Improved staff behaviours consistent with desired cultures of learning and knowledge

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Emphasis on rewards

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Innovation

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

D. Computer and Information Technology

- Does your organisation currently have any of the following organisational capacity components/elements? Specify yes/No.

IT and Systems	Yes	No
Internal computer network		
Computerized financial records		
Computerized client/member/program records		
Routine backups of data		
Broadband internet access		
Written conflict of interest policy		
Written code of ethics		
Written strategic plan with specific goals objectives to achieve mission		
Written job descriptions		
Written personnel policies		

- Indicate the availability of the following IT tools in your organisation.

Please select ONE response per line.

IT Tool	Not Available	Available and being used	Available But not Used	Available but need servicing
Emails				
Internet				

Phones				
Computers				
Printers				
Fax machines				

- In your organisation, how accessible to you are the following IT tools?

Please select ONE response per line.

IT Tool	Not Accessible	Not Easily Accessible	Easily Accessible
Emails			
Internet			
Phones			
Computers			
Fax Machines			
Printers			

- How will you rate shared learning mechanisms by staff at AAG due to the IT and systems in place?

(i) Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- Has there been any improvement in staff knowledge and understanding as a result of the IT and systems in place? Yes/No

- If yes, how will you rate the improvement in staff knowledge and understanding?

Very Good (ii) Good (iii) Average (iv) Poor (v) Very Poor

- How have demands for your organisation’s services or programmes changed over the last three years? (*Select best response by ticking*)
 - 1 Decreased significantly (by more than 25 percent)
 - 2 Decreased moderately (by 10 – 25 percent)
 - 3 Stayed more or less the same
 - 4 Increased moderately (by 10 – 25 percent)
 - 5 Increased significantly (by more than 25 percent)

- Do you have the knowledge and skills required to perform your job well in the light of changes in technology and the demand for the services of your organisation? Yes/No (Please tick one) YES

- If you answered "no", describe three types of capacity building training you will need to help you to improve your performance? In the space next to your answers, please state what you believe would be the most helpful way to address each of them.

Most Important Capacity Building Training	Most Effective way to Address it
1.	
2.	
3.	
4.	

- Kindly describe the capacity building training you have had within the last three years.

Description of Capacity Building Training	Year	When?	Where?	Comments

Appendix B

Survey Database and Results

1. Results of Reliability Tests

(i) Staff Recruitment, Development and Retention:

Emphasis on effective recruitment programmes (82%);

Employee career development (76%);

Transfers and career progression planning (78%);

Performance Appraisal (71%);

Performance-based Rewards & Benefits system (70%).

(ii) Organisational Culture:

Supportiveness (72%);

Promotion of high-quality work & respectful work relations (76%);

Emphasis on rewards (71%);

Improved staff behaviours consistent with desired cultures of learning and knowledge (78%),

Innovation (73%).

(iii) Leadership:

Fostering external strategic partnerships (75%);

Strategic planning (71%);

Setting performance standards (74%);

Pursuit of organisation's mission, vision and values (73%);

Linking organisation's priorities and objectives to its strategy (72%);

Female gender capacity and career development of employees (82%).

(iv) Computer and Information Technology:

Improved IT skills among staff (85%);

More effective use of IT applications (83%).

2. Results of Correlation Analysis

Recruitment, Training & Retention	1	2	3	4	5
Emphasis on effective recruitment programmes	0.70*				
Employee career development	0.77*	0.63*			
Transfers and career progression planning	0.72*	0.64*	0.72*		
Performance Appraisal	0.61*	0.36*	0.53*	0.5	
Performance-based Rewards & Benefits system	0.74*	0.70*	0.52*	2* 0.7	0.35*
Achievement of mission and strategic Objectives				1*	
Organisational Culture	1	2	3	4	5
Supportiveness	0.70*				
Promotion of high-quality work & respectful work relations	0.77*	0.63*			
Improved staff behaviours consistent with desired cultures of learning and knowledge	0.72*	0.54*	0.72*		
Emphasis on rewards	0.61*	0.34*	0.56*	0.5	0.72*
Innovation	0.66*	0.77*	0.74*	6*	
Achievement of mission and strategic				0.4	

Objectives				6*	
Leadership	1	2	3	4	5
Fostering external strategic partnerships	0.61*				
Strategic planning	0.77*	0.63*			
Setting performance standards	0.72*	0.54*	0.72*		
Pursuit of organisation's mission, vision and values	0.61*	0.34*	0.56*	0.4	0.79*
Female gender capacity and career development	0.41*	0.34*	0.43*	9*	0.79*
Achievement of mission and strategic Objectives				0.4	7*
Information Technology and Systems	1	2	3	4	5
Improved IT skills among staff					
More effective use of IT applications	0.78*				
Achievement of mission and strategic Objectives	0.79*	0.77*			

* Correlation is significant at p less than 0.01 level (2 tailed)

3. Survey Perceptual Results

(i) Senior Management's Perception of Leadership

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Fostering external strategic partnerships	√		45
Strategic planning		√	75
Setting performance standards	√		43
Pursuit of organisation's mission, vision and values	√		45
Linking organisation's priorities and objectives to its strategy	√		41
Female gender capacity and career development		√	70

Achievement of mission and strategic Objectives	√		34
---	---	--	----

(ii) Middle-level Management's Perception of Leadership

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Fostering external strategic partnerships	√		30
Strategic planning		√	72
Setting performance standards	√		26
Pursuit of organisation's mission, vision and values	√		20
Linking organisation's priorities and objectives to its strategy	√		36
Female gender capacity and career dev't		√	68
Achievement of mission and strategic Objectives	√		27

(iii) Non-supervisory staff's Perception of Leadership

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Fostering external strategic partnerships	√		27
Strategic planning		√	64
Setting performance standards	√		30
Pursuit of organisation's mission, vision and values	√		28
Linking organisation's priorities and objectives to its strategy	√		28
Female gender capacity and career development		√	57
Achievement of mission and strategic Objectives	√		29

2. Recruitment, training and retention

(i) Senior Management's Perception of Recruitment, Training and Retention

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Emphasis on effective Recruitment programmes		√	94
Employee career development		√	68
Transfers and career progression planning		√	80
Performance Appraisal		√	86
Performance-based Rewards & Benefits system		√	75
Achievement of mission and Strategic Objectives		√	81

(ii) Middle-level Management's Perception of Recruitment, Training and Retention

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Emphasis on effective Recruitment programmes		√	88
Employee career development	√		44
Transfers and career progression planning		√	72
Performance Appraisal	√		74
Performance-based Rewards & Benefits system	√		72
Achievement of mission and Strategic Objectives		√	73

(iii) Non-supervisory Staff's Perception of Recruitment, Training and Retention

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Emphasis on effective recruitment programmes		√	85
Employee career development	√		35
Transfers and career progression planning		√	70
Performance Appraisal	√		68
Performance-based Rewards & Benefits system	√		65
Achievement of mission and Strategic Objectives		√	74

3. Organisational culture

(i) Senior Management's Perception of Organisational Culture

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Supportiveness		√	62
Promotion of high-quality work & respectful work relations		√	72
Encouraging staff behaviours consistent with desired cultures of learning and knowledge		√	82
Internal Communication		√	85
Emphasis on rewards system	√		46
Innovation		√	71
Achievement of mission and strategic Objectives		√	75

(ii) Middle-level Management's Perception of Organisational Culture

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Supportiveness	√		38
Promotion of high-quality work & respectful work relations		√	87
Encouraging staff behaviours consistent with desired cultures of learning and knowledge		√	71
Emphasis on rewards system	√		41
Internal Communication			88
Innovation		√	82
Achievement of mission and strategic Objectives		√	68

(iii) Non-supervisory Staff's Perceptions of Organisational Culture

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Supportiveness	√		41
Promotion of high-quality work & respectful work relations		√	75
Encouraging staff behaviours consistent with desired cultures of learning and knowledge		√	69
Emphasis on rewards system	√		39
Internal Communication			79
Innovation Effective		√	75
Achievement of mission and strategic Objectives		√	67

4. Computer and Information Technology

(i) Senior Management's Perception of Computer and Information Technology

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Improved IT skills among Staff		√	95
More effective use of IT applications		√	96
Staff capability & Experience in Computer/IT		√	65
Achievement of mission and strategic Objectives		√	93

(ii) Middle-level Management's Perception of Computer and Information Technology

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Improved IT skills among Staff		√	88
More effective use of IT applications		√	77
Staff capability & Experience in Computer/IT	√		48
Achievement of mission and strategic Objectives		√	75

Non-supervisory Staff's Perception of Computer and Information Technology

HR Practice/Process	Perceptual Rating		Scores
	Negative	Positive	
Improved IT skills among Staff		√	84
More effective use of IT applications		√	65
Staff capability & Experience in Computer/IT	√		35

Achievement of mission and strategic Objectives		√	78
---	--	---	----

Appendix C

Table for Determining Sample Size from a given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Source: Krejcie and Morgan (1970).

