

Capacity Building: A Timeless Managerial Responsibility for Achieving Organization's Success in Akwa Ibom State

Etim, E. O.

*Department of Accounting
Faculty of Business Administration
University of Uyo, Uyo, Akwa Ibom State, Nigeria
E-mail: Osimacc@gmail.com*

Ebito, I. N.

*Department of Business Management
University of Uyo, Uyo, Akwa Ibom State, Nigeria
E-mail: mrsebito@yahoo.com*

ABSTRACT

Capacity building is a conscious strategic measure to solve problems of change in organizations and is often seen as a medium and long term strategy to address major changes in the organizations' environment. This study present the strategy as a timeless activity which management has to embark on following continuous monitoring and evaluation of the operational environment to keep pace with constant changes prompted by complex and multidimensional business environment of modern days. The study adopts a survey design. Data were obtained from fifty middle and senior management personnel of public interest entities operating in Uyo, Nigeria. The sample was purposively selected. Data collected were analyzed using measures of central tendency involving mean, standard deviation and simple percentage. Results show necessity for timeless capacity building strategy if organizations must succeed. It is therefore recommended that adequate monitoring and evaluation be conducted regularly to confirm needs for capacity building, to enable organization stay competitive, successful and not adopt fire-brigade approach to changes that befall it. This is because without good capacity building programmes, complex enterprises tend to become chaotic in ways that threaten their very existence.

Keywords: *Capacity building, change, complex environment, organizational success.*

INTRODUCTION

Organizations are constantly facing changes in their strategic environment and have to meet new demands and challenges. Whether these changes are incidental, accidental or planned, it is absolutely necessary for an organization to preempt and react to change factors. This becomes imperative because organizational success and achievement of goals and objectives are a function of having the right framework (policies, procedures and human resources) on ground, by initiating and implementing proactive and preemptive

Etim, E. O. (ACA) is a lecturer in the Department of Accounting, Faculty of Business Administration, University of Uyo, Uyo, Akwa Ibom State, Nigeria, while **Ebito I. N.**, Ph.D is a lecturer in the Department of Business Management, University of Uyo, Uyo, Akwa Ibom State, Nigeria

measures. These initiatives and measures, we refer to as capacity building, which is a conscious strategic measure to solve problems, to learn from experience, to adapt to changes and to influence future changes (Ewurum and Okorie, 2008). Capacity building refer to by some experts as the concept of a “learning organization”, focuses on organization that is constantly observing and analyzing the environment in which it operates, and takes the necessary steps to adjust itself (its structures, working mechanisms, resource base, among others) to the new conditions. But, it is the rare organization that, in reality, responds to the changes in strategic environment on a routine basis.

Usually, even the best learning organization link capacity building to some major changes in the organization’s environment, or to some point in time where an organization considers its medium-and long-term strategic options. More so, designing and implementing capacity building programmes can be keyed to an organization’s success, but addressing and overcoming the commonly faced challenges is crucial. The concept of capacity building has always be discussed by looking at the word ‘capacity’, described as the extent of provision or availability of ingredient required for the successful implementation of a given task. Ndiyo (2008) refers to it as how inputs are applied and used to produce specific outputs, results and outcomes. It is dynamic, multidimensional, and directly or indirectly influenced by contextual factors.

Capacity is also task specific, and capacity constraints are specific as they relate to factors in a particular organization or system at a particular time. Capacity is the ability of an organization, and the individuals working in that organization to perform functions and to meet objectives effectively and efficiently. It thus implies that capacity is based on a continuing review of the conditions, framework, and a dynamic adjustment of functions and objectives. Since the environment of business is dynamic, complex and multidimensional, continuous diagnosis of both endogenous and exogenous variables are required. This exercise when properly carried out exposes the needs for development in all aspects of the entity’s operations to enable it keep pace with latest developments, the call for capacity building were the organization fall short of required standardization. For instance, applying modern production techniques or gadgets to production process, adopting new accounting standards and principles, developing consumer oriented products/services so that the organization is not left out in the woods, requires capacity building.

This strategy enables organizations to be proactive rather than reactive to changes in their operational environment to keep the vision and mission in line with contextual situations. Ndiyo (2008) describes capacity in two dimensions: Capacity Assessment and Capacity Development. Capacity Assessment entails a diagnosis of the state of an existing capacity. Such diagnosis should cover issues that are both endogenous and exogenous to the organization as well as both institutional and operational issues. The findings of the diagnosis will inform the design of strategies and formulation of capacity development policies. On the other hand, capacity development encompasses institutional development, as well as the overall system, environment and context within which individuals, organizations and societies operate and interact. It implies that even if the focus of concern is a specific capacity of an organization to perform a particular function, there must nevertheless always

be a consideration of the overall policy environment and the coherence of specific actions with macro (company wide) level conditions. Hammer, Kinberg and Delvin (1993), thus maintain that capacity building is about being able to keep up, with the ever increasing demand on the organization. The determining factors in organization capacity building system are customers, competition, and change, which are critical to attainment of corporate goals and objectives, a key to good corporate governance. Generally, therefore, Human capacity building is the bane of capacity building giving that this determines the right resources (material, machines, and funds) to acquire. It embodies the inculcation of relevant general and technical knowledge, skills and competencies through comprehensive human resources development programmes that will facilitate the realization of set goals.

Lomash, Kaptesy and Kejela (2003) describe capacity building, in terms of capacity factors, which refer to the preparedness of an organization to successfully face any situation arising due to changes in its external or internal environment. Mckinsey & Company and Venture Philanthropy Partners (2006) describe capacity framework in terms of a pyramid model of seven essential elements: three high level elements – aspirations, strategy and organizational skills and three fundamental elements – system and infrastructure, human resources and organizational structure. Binding these levels and their various elements is the corporate culture.

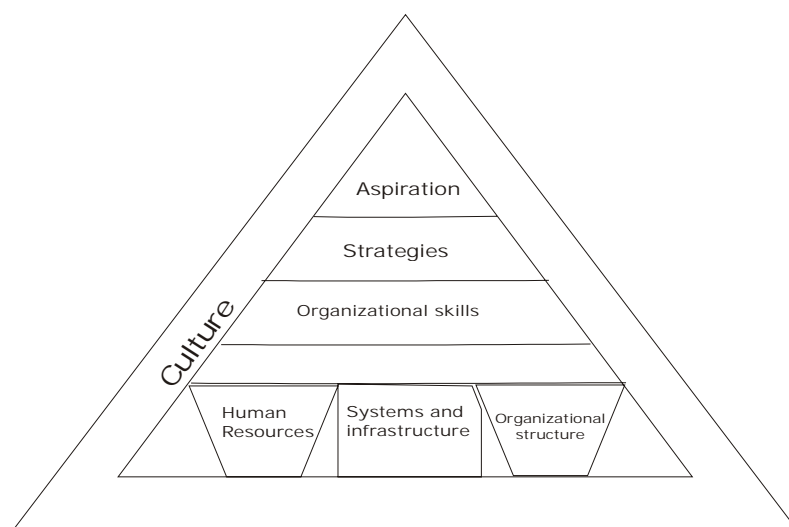


Figure 1: Capacity Framework

Source: McKinsey and Company (2001) Capacity Framework in nonprofit organizations.

Corporate culture runs like an invisible thread throughout the entire context of capacity building (Ewurum and Okorie, 2008). Organizations invest heavily in programmes, logistics and efforts, in rolling out its new tracking system, so that the organizations culture would embrace and not reject capacity building programmes. Combining all the different elements of organizational capacity in a single coherent diagram, the pyramid emphasizes the importance of examining each element in the context of the organization, both individually and in relation to the other elements. The Capacity Framework defines these elements as:

Aspirations: An organization's mission, vision and goals which collectively articulate its common sense of purpose and direction.

Strategy: The coherent set of actions and programs aimed at fulfilling the organizations overarching goals.

Organizational skills: The sum of the organization's capabilities, including such things (among others) as performance measurement, planning, resource management, and external relationship building.

Human Resources: The collective capabilities, experiences, potential and commitment of the organization's board, management team, staff, and volunteers.

Systems and Infrastructure: The organization's planning, decision making, knowledge, management, and administrative systems, as well as the physical and technological assets that support the organization.

Organizational Structure: The combination of governance, organizational design, inter-functional coordination, and individual job descriptions, that shape the organization's legal and management structure.

Culture: The connective tissue that binds together the organization, including shared values and practices, behaviour, norms and, most importantly, the organization's orientation towards performance.

Capacity Building as a Change Management Strategy

Organizational development activities are aimed at bringing about planned change, to increase an organization's effectiveness. Capacity building as a planned change management strategy is directed at changing people and structures to keep pace with environmental changes. The objective of planned change is to keep the organization current and viable to meet with the increasing demands of emerging challenges. The process of confronting change becomes obvious because current products and services reach their maximum maturity in their respective life cycles and become obsolete. To meet the needs of emerging customers, face competitors, government regulations and tax policies affecting the organization, capacity building becomes a prerequisite so that management can tackle, at individual level capabilities, to face the changes.

Most management experts integrate capacity building with manpower planning. Lyon (1985) describes the concept of manpower planning as that integral part of manpower management that will result from a systematic approach in the total corporate management process, towards creating effective capacity assessment grid, competency profiles and framework, and the planned change programme of the organization. Fajana (2002), sees human resources planning as the accurate sourcing of data about the levels of skills required in various jobs, to ensure that enough and capable individuals are available in the organization to meet the human resources need of the strategic plan or planned change programme. The above show that there is a link between human resources or manpower planning and capacity building; if organizations' want to succeed.

Capacity Building versus Training

It is a stated fact that human being is at the center of any successful capacity building initiative, being the only active factor of production that determines the mode of utilization and productivity of other inputs. The quality of human capacity building therefore places an upper limit on the success of the overall capacity building efforts of an organization. According to Ndiyo (2008), training is an important component of capacity building because training can increase skills and competencies of individuals working in an organization. However, it is only one of the several areas of intervention. As shown in figure 2, capacity building has to take place on three levels to be effective and sustainable:

The Systems Level: This addresses issues such as regulatory framework, policies and conditions that support or hamper the achievement of certain policy objectives

The Institutional Level: This addresses the structure of the organization, decision-making processes within the organization, procedures, and working mechanisms, management instruments, the relationships and networks within and between organizations.

The Individual Level: This addresses the individual skills and qualifications, knowledge, attitudes, work ethics and motivations of the people working in the organization. This is the most important because no matter how good policies and programmes may be, the implementation and success attainment depends on individual commitments and knowledge levels.

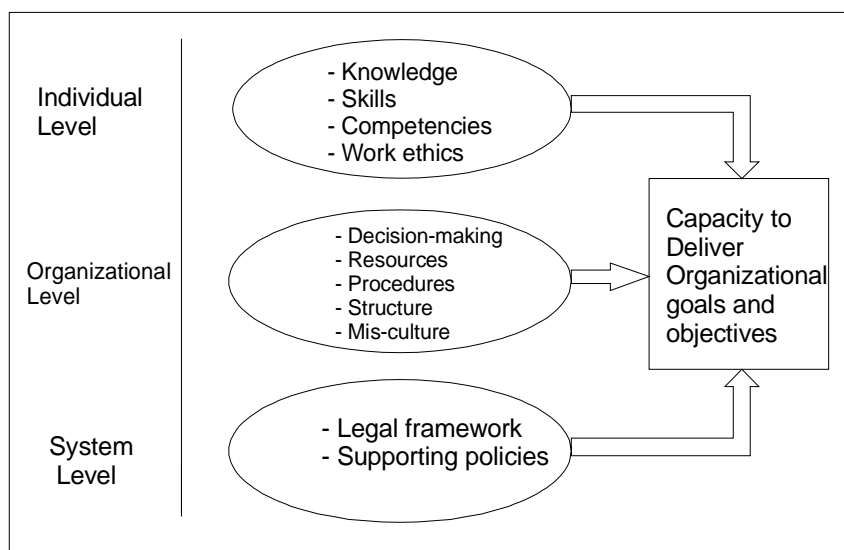


Figure 2: Levels of Capacity Building *Source:* Design for the study.

The basic questions that should often engage the attention of those carrying out Capacity Building Needs Assessment (ABNA) to particularly unravel the “gap” between the current and necessary tasks to respond to business environmental changes should include:

- a. What are the problems in the organization that can be solved by capacity building processes?

- b. What sort of problems which though do not exist but are envisaged due to changes arising from new processes, equipment, and changes in staffing practices?
- c. Could the organization/staff members gain competitive edge/improved performances by taking advantages of new technologies, training programmes or consultants?
- d. How can the organization take advantage of its strengths as opposed to reacting to its weaknesses? Are there opportunities for training to bolster these strengths?
- e. Could the organization take some sort of proactive approaches through the application of human resources development activities?
- f. Are there any internal/external factors necessitating some staff training and organizational development/changes that should be implemented?

The above questions clearly indicate that organizations need a high level of dynamism to manage their human, financial and physical assets and increase their chances for success. Capacity building is the timeless managerial responsibility to achieve this. Answering the above questions requires a careful taught and purposeful planning. According to the Global Development Professionals Network Partners (2014), six challenges to overcome for capacity building success include: balancing expertise, contextualizing learning, and institutional development, assessing impacts, keeping up with technological advancements and diversifying the workforce. In line with this, Epelle (2006), Fajana (2002) and Armstrong (2000) highlight the importance and objectives of capacity building via staff training among which include the assistance to organizations to achieve its purpose by adding value to its key resource—human capital—through the right investment in the human resource at constant basis to enable them perform to the best of their natural abilities.

The objective of this paper is an attempt to explain capacity building concept, identify challenges for capacity building success and how to overcome these challenges, to present capacity building as a timeless change management strategy, a prerequisite for achieving organizational success. The question(s) raise for this study are:

- i. Are proactive and preemptive measures a necessary means to shock-absorb changes that require capacity building policies implementation in any organization?
- ii. What challenges do organizations face in capacity building issues?
- iii. To what extent does capacity building help in achieving organizational goals and objectives?

Attainment of organizational success not only benefit management, but also other stakeholders such as the owners (shareholders), employees, government and its agencies, customers, suppliers (providers of credit) and the general public. This is because, an organization maintaining its going concern status ensure efficient and effective allocation of scarce resources for optimal productivity which in turn enhances the gross domestic product (GDP) of an economy. Thus, the outcome of the study will serve as a reference point for practicing managers, consultants in human resources management and the academia for future research references and blue-print for policy maker. Capacity building is pervasion to both public and private sector organizations, to individuals, groups, society and nations. This study focuses only on private sector entities whose primary objective is profit maximization.

METHOD

The study adopts a survey design to draw data from managers of public interest entities with operational or area offices in Uyo, Akwa Ibom State, Nigeria. A sample size of fifty (50) respondents was drawn purposively and administered with questionnaire through research assistants. Also, opinions were sought from only public interest entities operating within Uyo, the Akwa Ibom State capital, though it is assumed that the results will be authentic as these entities share common characteristics, principally operating in an ever changing environment and primarily focus on profit as its cardinal objectives. The organizations selected for the study covers those engaged in oil and gas, telecommunication, pharmaceuticals and medicine, accounting firms and manufacturing. Percentage, mean and standard deviation were the statistical tools used to analyse the data and validate the research questions from which inferences were drawn.

RESULTS AND DISCUSSION

This study was prompted by the fact that organizations need a high level of dynamism to manage their human, financial and physical assets in the face of an ever changing business environment. Capacity building seen as a timeless managerial responsibility for achieving organizational goals and objectives requires management overlooking their strategy not in medium or long term but on a regular basis to keep pace with developments in their operational environment.

From the analysis on table 1, the management of the organizations sampled for study show that the designing and implementing of capacity building programmes are mostly long and medium range programmes with mean values of 4.93 and 4.89 and 82 and 81 per cent respectively. These fall outside the acceptance region in a normal distribution curve. Moreover, the results indicate that the design and implementation of capacity building programmes represent only eighteen and nineteen per cent with mean values of 2.11 and 2.13 respectively, and standard deviation of 0.12 and 0.16. This shows that capacity building programmes are seldom paid attention making it an optional strategy to react to eventualities.

From table 2, the challenges for capability building issues surrounding organizations include but not limited to the accurate assessment of impact with 80% value and mean and standard deviation of 4.75 and 0.243 respectively. The same applies to keeping up with technological advancement which accounts for 82%, mean of 4.88, standard deviation of 0.252; diversifying the work force account for 4.85 mean 0.254 standard deviation and 81% total responses respectively. The same values apply to contextualizing learning in the study organizations.

On table 3, the result of data analysis reveals that the extent capacity building help in achieving organizational goals and objectives is to a very high extent (VHE) accounting for thirty respondent (60%) in all the variables, except for financial resources management. This may be because financial resources are most often acquired or source for a long term

period to match returns to outflows. With the acceptance of using capacity building in all key operations of any organization, the fundamental issues is to monitor any gap that may exist at any point in time between proposed and actual achievements. This will ensure organizations remain focus to their goals and objectives.

Table 1: Descriptive Statistics on Designing and Implementing Capacity building policies.

Statement		Mean	Standard Deviation	%
Designing and Implementing Capacity Building programmes	On long term	4.93	0.261	82
	On medium term	4.39	0.311	81
	On short term	2.11	0.12	18
	Whenever required	2.13	0.162	19

Source: Field Survey, 2014

Tables 2: Descriptive statistic on challenges organizations face in capacity building issues

Statement	Mean	Standard Deviation	%
Assessing impacts – detailed monitoring and Evaluation framework of operating environment.	4.75	0.243	80
Keeping up with technological advancement	4.88	0.252	82
Diversifying the workforce	4.85	0.254	81
Contextualizing learning	4.85	0.254	81

Source: Field survey, 2014

Table 3: The Extent capacity building help in achieving organizational goals and objectives

Description	VHE(4)	HE(3)	LE(2)	VLE(1)	Mean
Manpower planning	30	10	5	5	3.70
Technological innovations	30	15	5	---	3.34
Product planning and design	30	10	5	5	3.70
Financial resourcesmanagement	20	20	10	_	3.39
Strategic planning	30	20	-	-	3.32

Source: Field survey, 2014

CONCLUSION AND RECOMMENDATIONS

Assessing capacity building needs and the implementation of capacity building programmes is ideally a continuing exercise (a timeless strategy), where the results and impacts of capacity becomes part of the next round of needs assessment and for the adjustment of the capacity building programme. This requires adequate monitoring and evaluation to confirm whether the capacity building activities undertaken had indeed the intended positive effects. A concise set of relevant questions that could help the discovery of a need for, as well as assessment of an organization, to stay competitive, successful and not adopting fire brigade approach to changes are:

- a. Where did we plan to be originally?

- b. Where are we now?
- c. Why are we where we are now?
- d. Where do we want to be over the next defined period of time?
- e. How do we get there?
- f. How do we stay there?

Finding appropriate answers to these questions, would help organizations in discovering the necessity of capacity building as a timeless managerial responsibility for achieving organizational success. This is so because “without good capacity building programmes, complex enterprises tend to become chaotic in ways that threaten their very existence”. Good capacity building strategy brings a degree of order and consistency to key dimensions like the quality and profitability of products.

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