

# Workplace Development, Career Planning and Employee Commitment in Listed Companies in Nigeria

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**ABSTRACT:** This research paper the effects of workplace development, career planning and employee commitment in listed companies in Nigeria. This study comprised of 177 listed indigenous companies on the Nigerian Stock exchange and relevant data availability made the companies sampled 110. Secondary data extracted from the annual reports of the companies were used from 2009 to 2019. Descriptive statistics and panel data analysis of fixed effect and random effects model were used. Hausman, normality, autocorrelation and multicollinearity tests were undertaken. Findings will help develop policies which will ensure employees are well developed and have their careers planned properly to make them committed to the company. It is therefore recommended that on the job development are required for employees to be more committed to the firms.

**Key words:** Employee Commitment, Development, Career Planning, Competitive Advantage, Employee Satisfaction.

## I. INTRODUCTION

Human resources are important assets to organizations and helps to contribute to the success of these organizations. It is a major source of achieving competitive advantage. Challenges exist with the management of human resources and there is need to back it up with sound practices which influences employee attitudes and behaviors. Human resource mismanagement can affect an Organization. Human resources management (HRM) practices are numerous and includes recruitment and selection, development, performance appraisal, teamwork, compensation and reward. These can affect employee commitment and motivation. When employees are committed, they prove to be more productive than

others and perform to the best of their skills and knowledge. Important organizational goal are difficult to realize in recent times without employees that are highly committed and motivated.

Employees in listed manufacturing companies are faced with the problem of poor human management practices which make them leave such employment in search of better alternatives. High employee turnover affects organizations performance. The more connected employees are to their jobs the more committed they are and the more organizations perform well. Employees are not bound to organizational goals and thus do not believe in them. All that matters to them is their development and job security. A secured job is assured through career planning and development which makes them satisfied.

Organizations are forced to exploit the resources at their disposal to achieve a competitive advantage (Savaneviciene & Stakeviciute, 2011). Human resources are critical factors contributing to an organization's success (Dominguez, 2011). Managing an Organization's human resources requires using different practices (Ortega-Parra & Sastre-Castillo, 2013). Organizations seek to develop a committed workforce (Yew, 2013) and find the best way to retain their employees (Riveros & Tsai, 2011).

According to Tiwari and Saxena, (2012), managing available human resources can improve organization's behavior in staff commitment, competency and flexibility. Human resources are becoming increasingly important in a knowledge based economy (Ubeda-Garcia, Marco-Lajara, Garcia-Lillo & Sabater-Sempere, 2013). Knowledge resides in employees but can be easily lost if they decide to leave the organization (Fong, Ooi, Tan, Lee & Chong, 2011). Privately owned

and public organizations expect the use of human resources management practices have significant improvement on their performance as well as staff commitment. Listed companies expect full commitment from employees to ensure their smooth running. This study examines workplace development, career planning and employee commitment in listed companies in Nigeria. Reduction in commitments and motivation of these employees created the need for this study.

Previous studies found that human resources management practices can affect employee commitment and motivation, play a significant role in creating and sustaining the desired performance of organizations (Fong, et. al., 2011). It influences employee attitude and behavior (Lew, 2011), can enhance employee performance (Khalid, Rehman & Ilyas, 2014), acquires quality employees, motivates them to maximize performance and meet their psychological and social needs and lead to long term relationships as well as happy employees (Stewart & Brown, 2011). Inducement from organizations increases employee commitment and makes them high performers (Shaukat, Ashraf, & Ghafoor, 2015). Human resources management practices can have profound negative effect on an organization (Long, Perumal & Ajagbe, 2012). Its strategic use is required to overcome the challenges organization face (Othman, 2009).

Organisations are faced with the manner employees are placed on the job without training and the employees' high turnover rate due to lack of development and job insecurity which prevents the organizations from doing well. There is need for a planning program since employees lack the skills required on the job. These organizations especially those in Nigeria do not perform well as a result of inefficiency. The need for development and career planning should be identified earlier and corrected in order to ensure employee commitment.

Development practices were introduced from human resources management practices to ensure employee satisfaction, involvement, commitment, trust and loyalty which will help organizations perform better. It is still unclear if human resources management practices used by organizations has been able to ensure employee commitment. The main objective of this study is to examine development and career planning influence on employee commitment in listed companies in Nigeria. The study is structured into five separate headings and other sub heads which covers the introductory aspect, review of literatures and hypothesis development to clarify concepts and show how the variables interact with previous

studies. Data and methods used in the study is explained in the third. The fourth heading explains analyzed and discussed findings while the fifth has conclusion and recommendations.

## **II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1.1 Development**

Development is the process of increasing the knowledge and skills for performing a job to bridge the gap between job requirements and competence possessed by employees, the systematic approach that enables employees attain knowledge and skills to effectively accomplish their tasks (Armstrong, 2006). It is aimed at improving employees' behavior and performance. Various developmental programmes exists such as safety, orientation, promotional, job, and remedial developments. Organizations need to invest in training and developing their human capital to enhance their capabilities and abilities (Jimenez-Jimenez & Sanz-Valle, 2013). The motive behind development is to increase and update employee's skills, experiences and knowledge (Fong et. al, 2011). Development programs are conducted by qualified trainers from within the organization or external agencies. Hiring trainers though expensive ensures effective delivery of the knowledge required. Internal trainers costs less but does not ensure success of presentations (Lim & Ling, 2012). It is the method used to develop skills in employees required to perform the job (Dessler, 2008) and positively contributes to organizational growth. Extensive training programs are conducted to improve employees' performance to achieve strategic position over competitors (Brown, 2005). Proper training helps to attain a desired change in the performance of employees (Huselid, 1995).

### **2.1.2 Career Planning**

Career Planning is the process of setting career goals and identifying ways to attain them, planning individual's work life and tool for motivating employees to work for the organization's development (Wright & Snell, 1998). Its focus is on motivating employees to achieve a desired match between personal and organizational goals and a process of developing human resource to increase organizational performance (Leibowitz, Farren & Kaye, 1986). It is useful in identifying employee's skill, experience and assigning tasks to them. Individuals prefer joining organizations where they get enough opportunities to pursue their career goals and fully exploit their potential (Gardner, Wright & Moynihan, 2011). Career planning serves as a tool

to motivate employees to work effectively and efficiently to achieve organizational goals. It is a deliberate process of providing opportunities for successful development (Snell & Dean, 1992).

### 2.1.3 Employee Commitment

Employee commitment can take various forms and a variable difficult to define since it means different things to different people. It is the extent to which behavior is influenced. It also means being bound to a goal, believing in the goal and wanting to achieve it reflects a degree of commitment. It is connection to an organisation which makes employees loyal to the organisation and not likely to leave it (Allen & Meyer, 1990). It is the connection to a job which makes employees psychologically bound to the job (Farrell & Rosbult). It is an attitude towards a job, connection to an organisation psychologically which binds the employee to the organisation. This connection make the employee continue to work in the organisation regardless of its being fulfilling or not. It is connection to a goal not thinking of or knowing its origin, believing in the goal and being interested in achieving it. Commitment of an employee is a mindset or binding force which directs behavior. In business commitment is a bond with the organisation, employees feel they fit into the organisation and understand its goals. They have an added value of being determined to work, be highly productive in supporting achieving organizational goals (Wainwright, 2019).

### Development and employee commitment

Armstrong, (2006) described development as the systematic approach which enables employees attain knowledge and skills used to accomplish their tasks effectively. Most of the studies conducted in developed and developing countries including Nigeria (Desta, 2021; Nkosi, 2015; Sitienei, Egessa & Owano, 2015; Maina, Namusonge & Karanja, 2018; Valero & Florit, 2019; Rassul & Farooqi, 2015; Owoyemi, Oyelere, Elegbede, & Gbajumo-Sheriff, 2011, Pandey & Singh, 2017) confirmed that development significantly affects employee commitment. Other studies conducted on development and employee commitment revealed that training has a significant effect on employee commitment (Nkosi, 2015). There was divergent submission in the study by Alamri and Al-duhaim, (2017) after enquiring into employees' perception of training and its relationship with organizational commitment using employees working at Saudi industrial development as focus. It was found that a negative relationship exists between co-worker support for

training and commitment. Jehanzeb, Rasheed and Rasheed, (2013) in a study conducted on organizational commitment, turnover intension and impact of employee training in Saudi Arabia found the existence of an insignificant relationship between motivation to learn and organization commitment. These findings show a drift in the normal trend relating to employees support for training and commitment. Inconclusiveness of findings, doubts and uncertainties about the effects of development on organizational commitment in developing countries like Nigeria increased these uncertainties. Based on these it is hypothesized that:

**H<sub>01</sub>: There is no effect between development and employee commitment.**

### Career Planning and Employee's Commitment

Studies conducted on career planning and employee commitment in developing countries (such as Nigeria) and developed countries (Rehman, 2017; Simiyu & Mutau, 2019; Ramli, Soelton, Paijan & Khotimah, 2020; Awino & Kipsang, 2020; Aljehani & Javed, 2021; Jusuf, Mahfudnurnajamuddin, Malongi & Latief, 2016; Adamu, Daddie & Ebikeseye, 2017) confirmed that career planning significantly affects employee commitment. Some studies conducted revealed that employee satisfaction is increased by career planning (Jusuf, Mahfudnurnajamuddin, Mallongi & Latief, 2016). Some argued on the necessity of expanding studies of organizational commitment with human resources management practices, management style, strategic planning (Wollard and Shuck, 2011; Reissner, & Pagan, 2013; Suan, & Nasuridin, 2014; Chen, 2017). There was divergent submission in the study conducted by Iles, Mabey and Robertson, (1990). These positions with others previously mentioned and described resulted in diversity in previous empirical positions. It is justified to fill this gap suggesting the need for further research correlating Human resources management practices with employee commitment. Based on these it is hypothesized that:

**H<sub>02</sub>: Career planning does not affect employee's commitment.**

### 2.2 Theoretical Underpinning

This study is based on the expectancy and social exchange theories. A combination of theories were used due to the study's peculiarity. The expectancy theory as developed by Victor Vroom (1964) through his study on motivation behind decision making. The theory suggests that individuals are motivated to perform if they know their extra performance will be recognized and

rewarded. Linking pay with individual or group performance will make employees more likely to improve their efforts and work hard to increase their performance and that of the organization (Vroom, 1964). If workers are expected to put on a certain level of effort a reward structure with clear, defined goals and routine evaluations should be set up.

Workers should know actions needed to reach a required performance level. Effort required should be challenging and not impossible in order to maintain a high morale while goals are pursued. The theory assumes behavior is determined by a combination of forces in individuals and the environment, people make decisions about their behavior in organizations, and people make choices from alternative plans of behavior. Based on their perception of the extent to which a given behavior will lead to desired outcomes and different people have different needs, desires and goals.

The social exchange theory developed by George Homans (1958) is a social, psychological and sociological perspective that explains social exchange and stability as a process of negotiated exchanges between parties. The theory posits that human relations are formed by using a subjective cost-benefit analysis and comparison of alternatives. It is frequently used in the business world to imply a two-sided, mutually contingent and rewarding process involving transactions or exchange (Bradbury & Karney, 2010). According to Blau, (1964) the most basic form of exchange is social exchange based on the reciprocity law which is the managerial expectations that recognition, empowerment and investment in human assets will be reciprocated. Social exchange theory indicates a positive correlation between human resources and employees, it proposes that social behavior results from an exchange process. The potential benefits and risks of social relationships are weighed by people. Relationships may be terminated or abandoned when the risks outweigh the rewards.

These theories suggests that if employees are developed as well as have their career properly planned by their employers they are more likely to keep the working relationship between them and their employers and perform well on the job. The theories predicts that level of motivation depends on how attractive the rewards attached are, probability of obtaining the rewards which is important in achieving management objectives, relationships duration is determined by the potential benefits and rewards attached. These theories are applicable to the study to understand the fact that employees of listed companies in Nigeria expect to benefit from the relationship they

have with their employer in order to make the relationship last long.

### Empirical Review

Iles, Mabey and Robertson, (1990) studied human resources management (HRM) practices and employee commitment and stated that human resources management practices does not enhance commitment to the organization. Edgar and Geare, (2005) in their study on HRM practice and employee attitudes found that human resource management practices impact on employee satisfaction, commitment, retention, employee involvement, trust and loyalty. The studies were on relationship between HRM practices and employee work-related attitudes, examined if different approaches to HRM gives different results and made use of structural equation modelling analysis. This study is on workplace development, career planning and employee commitment in listed companies in Nigeria using panel data analysis.

Owoyemi, Oyelere, Elegbede and Gbajumo-Sheriff (2011) studied enhancing employees' commitment to organization through training and found the existence of a positive significant relationship between the different levels of training and employees' commitment to the organization. Dixit and Bhatti, (2012) studied employee commitment and its impact on sustained productivity in India auto component industry and found that employee commitments are significantly related to sustained productivity in the industry. Jehanzeb, Rasheed and Rasheed, (2013) studied organizational commitments and turnover intentions in private sector of Saudi Arabia and found an insignificant relationship between motivation to learn and organization commitment since employees are not interested in training and development. These studies were on the different levels of training and employees' commitment, impact on sustained productivity in India auto component industry and impact of employee training in private sector of Saudi Arabia while this study is on workplace development, career planning and employee commitment in listed companies in Nigeria using panel data analysis.

Obenge, Okibo, Nyang'au, Ondieki, Nyongesa and Nyamasege, (2014) studied the effect of staff training on the employee commitment in the implementation of strategic plans in public secondary schools in Kisii County and found that staff training has an effect on ability to implement strategic plans. Ayeniyo, (2015) studied fringe benefits administration and employees commitment in Lagos State civil service and found that providing staff quarters affects staff

commitment. Nkosi, (2015) in his study on effects of training on employee commitment, retention and performance: a case study of a local municipality in South Africa found that training has a significant effect on employee commitment, retention and performance. Rassul and Farooqi, (2015) showed a positive relationship between training and development, training design, on the job training and employee commitment in their study on impact of training and development, training design and on the job training on employee's commitment in banking sector of Pakistan. The studies were on public secondary schools in Kisii County, fringe benefits administration in Lagos State civil service, local municipality in South Africa and banking sector of Pakistan. This study is on listed companies in Nigeria.

Sitienei, Egessa and Owano, (2015) studied the impact of training and development on employee commitment: a case of department of children's services, Kenya and found existence of a positive effect of training and development on employee commitment. Cicek, Karaboga, Sehitoglu, (2016) in their study on a new antecedent of career commitment: work to family positive enhancement found that career planning is influenced by skill, behavior and knowledge transferred from work to family. Jusuf, Mahfudnurnajamuddin, Mallongi and Latief, (2016) found that employee job satisfaction can be improved by career development and organizational culture, career development increases organizational commitment and employee job satisfaction did not improve organizational commitment in their study on the effect of career development, leadership style and organizational culture on job satisfaction and organizational commitment. The studies were on department of children's services, Kenya, work to family positive enhancement and leadership style and organizational culture on job satisfaction. This study is on work place development, career planning and employee commitment in listed companies in Nigeria

Udu and Ameh, (2016) studied effects of employee commitment on organizational performance in the Banking industry and found that bank's success depends on employees ability to show full commitment. Zeyad, Nuttawuth and Jiaying, (2016) found in their study on the effect of human resource management system on employee commitment found that human resources management practices can affect employee's motivation, by encouraging them to work harder and smarter through the use of incentives and compensation system that aligns. Adamu, et al., (2017) studied impact of career development on

staff commitment in selected Nigeria's public sector parastatals and found that training and career development impacts on commitment. Alamri and Al-duhaim, (2017) studied employees perception of training and its relationship with organizational commitment among the employees working at Saudi Industrial Development and found the existence of a negative relationship between co-worker support for training and continuance and normative commitment. These studies focused on the Banking industry, used AMO model, selected public sector parastatal in Nigeria and employees working at Saudi Industrial Development. This study is on listed companies in Nigeria.

Al-hawary and Alajmi, (2017) studied organizational commitments of the employees of the ports security affairs of the state of Kuwait the impact of human resources management practices and found the existence of a significant impact of human resources management practices on organizational commitment. Dialoke and Paschal, (2017) studied the effects of career growth on employees performance using non-academic staff of Michael Okpara University of Agriculture Umudike and found that a positive and significant correlation exists between career development and performance, career advancement is positively correlated with motivation of non-academic staff of the university. Pandey and Singh, (2017) studied role of training and skill development in employee commitment in IT companies of Punjab and Chandigarh and found the existence of a positive and significant relationship between training and skill development and organizational commitment. Rehman, (2017) found that career development practices have a positive impact on organizational commitment in his study on impact of career development on organization commitment. The studies focused on ports security affairs of the state of Kuwait, non-academic staff of Michael Okpara University of Agriculture Umudike, IT companies of Punjab and Chandigarh. This study is on listed companies in Nigeria.

Maina, Namusonge and Karanja, (2018) in their study on effect of training on employee's commitment in the Telecommunication Industry found that training increases employee commitment. Brenyah, (2019) in his study on organizational support for career development and its influence on employee commitment in the Ghana police service found that career development had significant impact on commitment. Paul and Audu, (2019) studied effects of training of academic staff on employees' performance in federal polytechnics in Nigeria found out that training has a significant effect on

employee productivity, enhanced timeliness in service delivery and work quality. Simiyu and Mutua, (2019) studied influence of career development on employee commitment using Masinde Muliro University of Science and Technology and found the existence of a statistically significant relationship between career development and employee commitment. Career development makes employees more committed to the organization. These studies were on telecommunication industry, Ghana police service, federal polytechnics in Nigeria and Masinde Muliro University of science and technology while this study is on listed companies in Nigeria.

Valero and Florit, (2019) found that training and development directly affects organizational commitment in their study on the effect of training and development on organizational commitment as key elements to retain talent in business organizations. Awino and Kipsang, (2020) studied career planning and employee commitment a reflection from manufacturing firms in Kenya and found that career planning has a positive and significant effect on employee commitment. Dialoke and Wabara, (2020) studied career development and employee commitment by studying selected higher institutions in Abia State found out that mentoring and job enrichment enhances employee commitment. Ramli, Soelton, Paijan and Khotimah, (2020) studied the effect of job characteristics towards the organizational commitment of the employees and found that organizational commitment significantly affects employees turnover intentions. These studies were on business organizations, selected higher institutions in Abia State, manufacturing firms in Kenya and higher institutions in Abia State while. This study was on listed companies in Nigeria.

Aljehani and Javed, (2021) studied the relationship between career development and employee loyalty and found the existence of a very strong relationship between career development

and organizational commitment. Desta, (2021) studied linking human resource training and development, employee commitment and job satisfaction: moderation role of work environment found that training and development positively relates to employee commitment. Osewe and Gindicha, (2021) in their study on effect of training and development on employee satisfaction: a case of the judiciary of Kenya, found that training and development could contribute to increase in employee satisfaction. The studies were on career development and employee loyalty, linkage of human resource, training and development, employee commitment and job satisfaction: with the moderating role of work environment and the judiciary of Kenya. This study was on listed companies in Nigeria.

### III. DATA AND METHODS

The data for this work were collected from the annual reports of the selected firms and studied with descriptive and inferential statistical tool.

### IV. DATA ANALYSIS AND DISCUSSION OF FINDINGS

#### Descriptive Statistics

The table below represents the descriptive statistics result obtained for this study. It is evident from the table that employee's commitment, development and career planning averages 2.679872, 2.459286 and 1.975618 respectively, these variables ranges from 2.204550 to 3.197070, 2.83 to 4.491 and 1.430194 to 2.448244 for the respective variables. Also the variables have standard deviation of 293.5674, 124.6846 and 2971.407 respectively and exhibit increasing returns and normally distributed given all positive JB statistics value of 1.232982, 1.549944 and 1.601077 for the respective variables with their probability values less than 5% confirming their normality.

**Table 4.1 Descriptive Statistics**

	<b>LogCOM</b>	<b>LogCP</b>	<b>LogT&amp;D</b>
<b>Mean</b>	2.679872	1.975618	2.459286
<b>Median</b>	2.681524	2.031625	2.46000
<b>Maximum</b>	3.197070	2.448244	4.491000
<b>Minimum</b>	2.204550	1.430194	2.830000
<b>Std. Dev.</b>	293.5674	2971.407	124.6846
<b>Skewness</b>	0.051706	-0.271134	-0.038858
<b>Kurtosis</b>	1.977187	1.961589	1.850007

Jarque-Bera Probability	1.232982 0.539836	1.601077 0.449087	1.549944 0.460717
Sum	75036.41	553173.0	6886.000
Sum Sq. Dev.	2326910	2.38E+08	419748.5
<b>Observations</b>	<b>110</b>	<b>110</b>	<b>110</b>

Source: E-Views 9.0

It is also evident from the table above that all series displayed high level of consistency as their mean and median values are within the minimum and maximum values of the series. The deviations of the actual data from their mean values are very low as indicated by the relatively low values of the standard deviations. The statistics shown under table 4.2 above reveals that the series are positively and negatively skewed which indicates that the distribution has both right and left tail, since the tail of the distribution is pointed towards the upper end of the distribution.

The homogeneity of the series is measured by the low value of the standard deviation which indicates that there is little dispersion in the distribution as all the scores are relatively smaller to one another. The series are centrally spread across the distribution as revealed by the kurtosis which shows the distribution is normal. The sum of square deviation for the distribution is large for some of the variables, which indicates they are widely distributed, and the smallest of some shows they are clustered close to the mean score.

### Stationary Test

In this study the stationarity of variables was examined. A non-stationary time series has a different meaning at different points in time, and its variance increases with the sample size (Harris & Sollis, 2003). The problem with non-stationary data is that the standard OLS regression procedures can easily lead to incorrect conclusions (Asteriou & Hall, 2007). In the case of spurious regression, t-values of the coefficients are highly significant, coefficient of determination ( $R^2$ ) is very close to one and the Durbin Watson (DW) statistics value is very low, which often lead investigators to commit a high frequency of Type 1 errors.

In order to find out the order of integration ADF (Dickey & Fuller, 1979) and PP (Philip & Perron, 1988) tests have been extensively used in literatures. Hence the unit root tests were conducted using Levin, Lin & Chu t\*, Im, Pesaran & Shin W-sata, ADF-Fisher Chi-Square and PP-Fisher Chi-Square. The Levin, Lin & Chu t\* unit root test was selected because of its superiority to test for panel unit root. Test is applied on level I(0) as well as on first difference I(1). Results based on Levin, Lin & Chu t\* are given in the table below which shows that data is stationary at level.

Table 4.2 Unit Root Test

Var.	Levin, Lin & Chu t*	Im, Pesaran and Shin W-stat	ADF- Fisher Chi-Square	PP -Fisher Chi-square
LogCOM	-0.6906	0.06535	3.47133	3.34834
D(LogCOM)	1.78840	0.42504	19.5014	73.9297***
LogCP	-45.2193***	-397.414***	56.9409***	56.6914***
D(LogCP)	-42.4981***	-982.401***	189.254***	195.033***
LogT&D	-96.1916***	-23.0142***	42.9892**	39.9155**
D(LogT&D)	345.582	-4.90993***	40.3302**	81.1370***

Source: E-Views

The above table reveals that the variables are I (0) and I (1) order, considering pp – fisher for instance, commitment is stationary at first difference I (1) while career planning is stationary at level I (0), for Levin, lin & chu t\*, im, pesaran

and shin w-stat., adf- fisher chi- square, and pp – fisher chi square ditto development it was revealed that all the variables are stationary at level except commitment which is stationary at first difference.

It is justified to proceed in the application of the panel least square model.

**Test of Hypotheses**

The hypotheses are tested to accept or reject them as shown below:

**Regression result of development on employee’s commitment**

Dependent variable: LOGCOM  
 Method: Panel Least Squares

Variable	Coefficient	Std, error	t-Statistic	Prob.
C	-977.1711	153.6848	-6.358280	0.0000
LOGCP	1.630424	18.16006	0.089781	0.9286
LOGT&D	1.200410	0.209524	1.569407	0.0448

Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.972228	Mean dependent var		77.21729
Adjusted R-squared	0.968905	S. D, dependent var		17.69759
S. E. of regression	3.120777	Akaike info criterion		5.220686
Sum squared resid	1139.492	Schwarz criterion		5.548277
Log likelihood	-329.5652	Hannan-Quinn criter.		5.353804
F- statistic	292.5593	Durbin- Watson stat		1.965601601
Prob (F-statistic)	0.000000			

**Source: Author’s computation (derived from E-Views 9.0)**

From the results obtained in the above table, there is positive relationship between employee’s commitment and career planning, employee’s commitment and development. This is evident as the coefficient of career planning is 1.630424, indicating that employees gain as high as 1.630424 percent to their commitment indicator due to a percentage increase in their career planning. Furthermore the coefficient of development is 1.200410, indicating that the sampled firms gain as high as 1.200410 percent to their employee’s commitment indicator due to a percentage increase in their development.

Also the significance test from the table revealed that development is statistically significant to employee’s commitment, while career planning is not statistically significant to employee’s commitment. This is evident as the probability value of development of 0.0448 is less than 5% significant level, career planning on the other hand is not statistically significant to employee’s commitment since its probability value of 0.9286 is more than 5% significant level upon which this

study was adequately carried out. The lower part of the table reveals the model’s summary. The r-squared statistics stood at 0.972228 which implicated that approximately 97.22% of the variation in employee’s commitment is explained by the joined effect of development and career planning.

The remaining infinitesimal 2.7% variation is not captured by the model. Also, the table revealed that the f-statistics of 292.5593 has a probability value of 0.000 which is less than 5%, this means development and career planning are jointly significant in explaining employee commitment. On the other hand the Durbin Watson statistics revealed that the model is not likely to be spurious, there is likelihood that the model is free from autocorrelation problem since the Durbin Watson statistics of 1.965601 approaches 2 and is greater than the R-squared statistics.

**Post Estimation Test**

To select the best model for the study, a test for the appropriate model selection was



conducted using the correlated random effect of Hausman's test. The result showed the appropriate

model that best fits. The models are presented below:

**Table 4.3 Hausman's Test**

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross- Section random	14.054981	2	0.0028

Cross-section random effect test comparisons:

Variable	Fixed	Random	Var (Diff.)	Prob.
LOGCP	1.630424	3.106575	0.880682	0.1157
LOGT&D	1.200410	2.956642	0.718309	0.0382

Null Hypothesis: Random effect model is appropriate for objective one

The table above checks for the appropriate model for the study's first objective through the correlated random effects Hausman's test. The Chi-Sq. statistic value for Hausman's test is 0.269026 with its corresponding probability value of 0.6040 which is greater than the 5% significance level. Hence, the null hypothesis that random effect model is appropriate and accept the alternative hypothesis that fixed effect model is appropriate for this study. Therefore, the results obtained from the fixed effect model is justified to be used for concluding the study's findings due to this.

are: model stability, normality, multicollinearity, heteroscedasticity, stationarity and autocorrelation test. The test results are presented below:

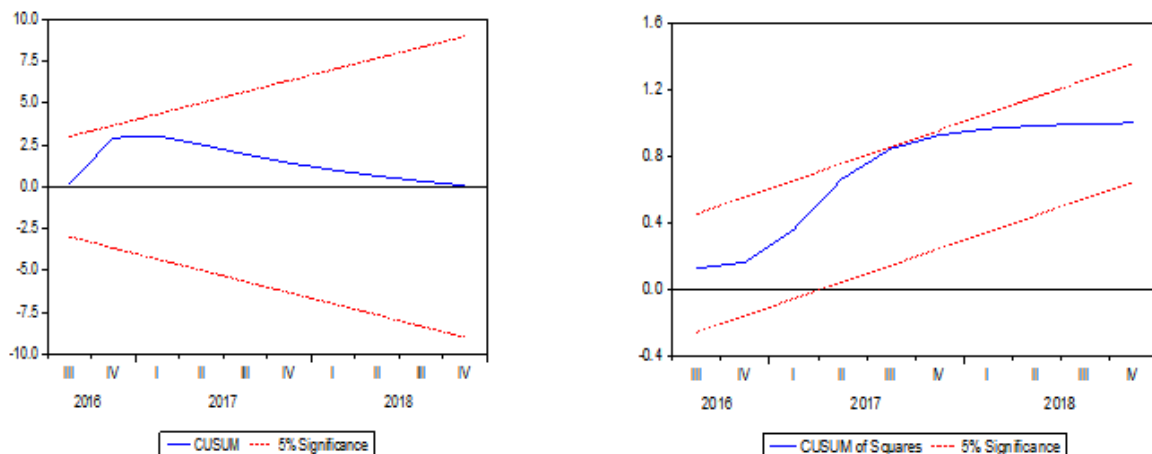
**Model Stability**

The test conducted to ascertain the stability of the model and ensure the results obtained are free from some certain statistical errors are below. These tests are needed to show that the model is non spurious, stable with time and assures the steadiness of the models statistical power.

**Test of Variables**

The study variables were subjected to various tests for the purpose of robustness. These

**Figure 4.1: Model Stability**

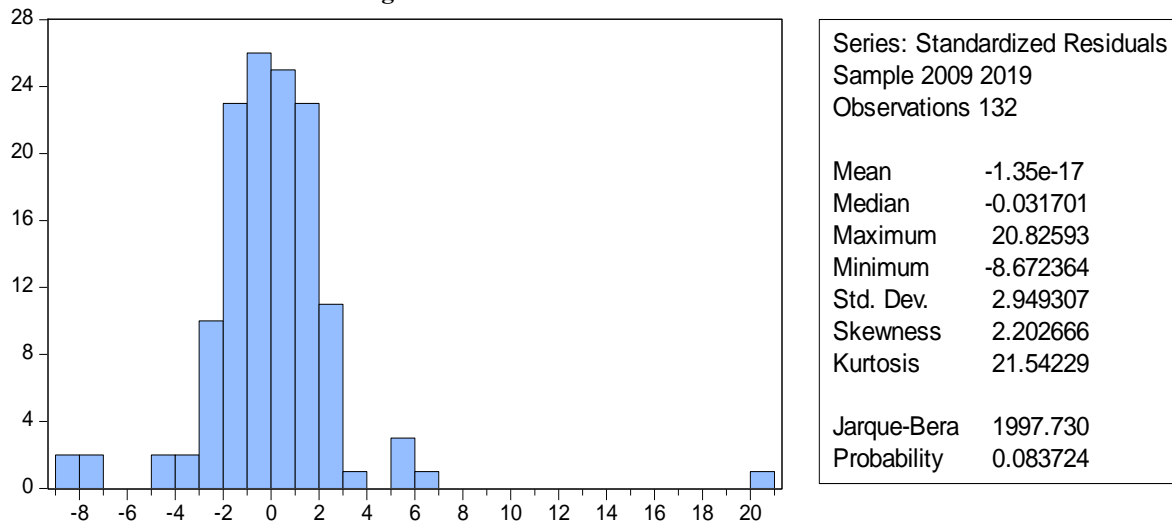


The cumulative sum and cumulative sum of square figures above show that the model is relatively stable as the 5% significant line bounds the CUSUM line from 2016 to 2018. The relative stability of the model proves further credence to the obtained results of the study. Hence conclusions and recommendations made here after are statistically reliable.

**Normality Test**

The figure below tests for the normality of the panel least square model’s residual of this study. the Jarques-Bera statistics of 1997.30 has a probability value of 0.084 which is more than 5%, therefore the hypothesis that residual of the panel least square model is normally distributed cannot be rejected. This result further proves credence to the model

**Figure 4.2: Model’s Residual Distribution**



**Multicollinearity Test**

The table below test for multicollinearity among the series residuals, the Bresch-Pagan LM, Pesaran scaled LM, Bias-corrected scaled LM and the Pesaran CD tests were used as recommended by Breusch and Pagan, (1980), Arellano, (1987), Baltagi and Chang, (1994) and Pesaran, (2004).

The test shows that the probability values (prob.) for the models are less than 5% (i.e. 0.05). Therefore the null hypothesis that the series have no multicollinearity is accepted and conclude further that there is no cross sectional dependence among the residuals of the variables used in the study.

**Test of Multicollinearity**

Test	Statistic	d.f.	Prob.
Breusch-Pagan LM	486.2070	66	0.0000
Pesaran scaled LM	35.52986		0.0000
Bias-corrected scaled LM	34.92986		0.0000
Pesaran CD	9.063982		0.0000

**H<sub>0</sub>: No cross-sectional dependence (correlation) in residuals**

**Auto Correlation Test**

When the R-squared is more than the Durbin Watson statistics, the model is said to be spurious and there is likelihood that the model suffers serial correlation (Ajisafe, 2016). However,

considering the Durbin Watson statistics and the R-Squared values of the models in the study, there is no evidence of auto correlation (serial correlation) problems among the variables used in the study. This is evident from the result obtained under fixed

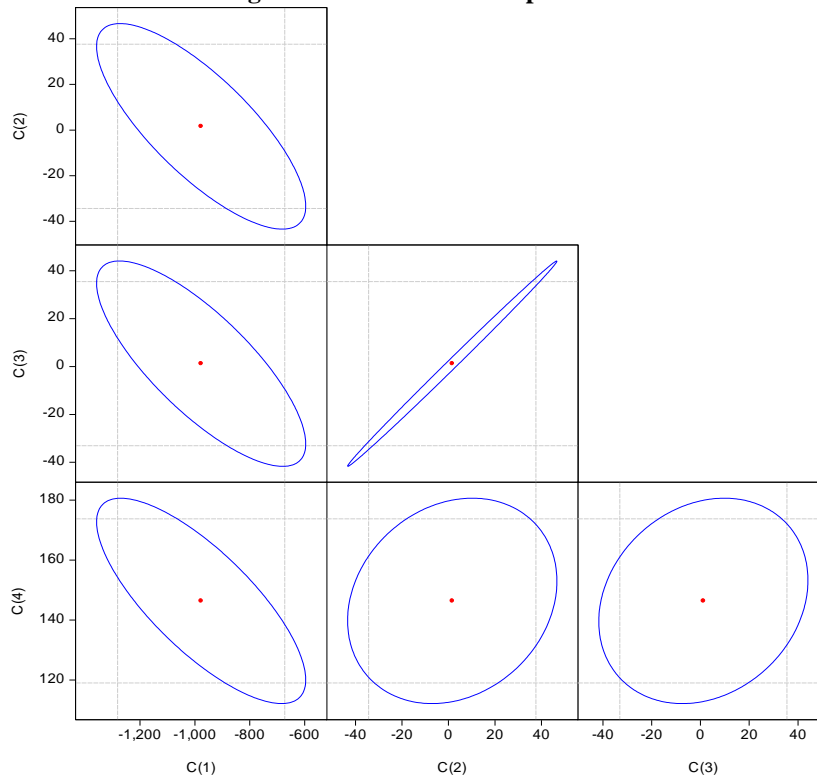
effect model as the regression results revealed that the R-Squared value of 0.972228 is less than Durbin Watson statistics of 1.965601.

**Coefficient Diagnostic Test**

The spread and degree of interdependence of the explanatory variables (career planning and development) is tested with confidence eclipse

plots shown in the figure below. Evidence shows that all the variables have no interdependent variable and are evenly spread to capture the true situation of employee’s commitment, this is a desirable result. The plots revealed 5% positive dot (or 95% confident plot) at the center of the plot and not at the plot’s extreme part.

**Figure 4.3 Confidence Eclipse Plot**



**V. SUMMARY**

This study examines the effects of development and career planning on employee’s commitment and the objective seeks to do the same since it is a panel study. The study used panel data analysis of fixed effect and random effect model. The Hausman’s test revealed that fixed effect model is mostly appropriate for the study. The fixed effect model result revealed employee’s commitment depends on development and career planning practices as the coefficient of development and career planning are positive. These findings will help company managements develop policies to ensure employees are well developed and their careers properly planned to make them more committed.

**VI. CONCLUSION AND RECOMMENDATION**

On the result of the study’s test objectives the fixed effect model reveals development is statistically significant to employee’s commitment. Therefore this study posit that a well satisfied employee with good welfare will put in his or her best to improve his/her commitment to the firm. Based on these results it is pertinent to conclude that development has a positive relation with employee’s commitment. The study could not establish direct significant effect of career planning on employee commitment but was able to establish a positive significant effect of development on employee commitment. Relentless on the job and off the job development of staff are required if these firms expect their employees to put in their best. These developments will enable employees

possess up to date information and skills required for their overall commitment to the firm.

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