

Impact of Human Capital Development on Employee Productivity in Nigeria

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Abstract

The paper tries to examine the impact of human capital development on employees' productivity in Nigeria. Descriptive method was adopted. Using the descriptive design, only a part of the population was studied and findings from this are expected to be generalized to the entire population. The researcher considers not only the proportion of the population that would be included in the study but also consider how to obtain this in such a way to ensure that subsequent sample is sufficiently representative of the population. The sample size for the total population used for this study is seventy-five (75) Out of total population of one hundred and thirty-five (135) as the size which shall be selected using simple random selection technique in form of hat drawn method. the study conclude that the authority should come up with some operative plans particularly in advancing the various characteristics of human capital as not only does it direct firms to attain greater performance but also it safeguards firms to persist inexpensive for their long-term existence. Therefore, it was recommended that The management should make sure that, the policies of the business and it corporate strategies should be well communicated to its employee to get understanding of it in order to have a corporate goal and achievement for the organization, by given or stating polices and strategies that are not too rigid.

Introduction

Definitely, the significance of human capital development has developed more understandable given the budding complexity of the work atmosphere, the speedy change in administrations and technological advancement which further imposes the need for human capital development of personnel to meet the challenges. Human capital development helps to guarantee that employees enjoy the knowledge and skills they need to perform their jobs efficiently and successfully, looking in to the new responsibilities, and adapt to changing conditions (Okoh, 2017).

Employees in establishments are likely to knowledge low confidence if human capital arrangement and episodic training is not given a priority. The workers will be aware of their disorganized environment, and will suffer stress and frustration because they will have difficulty executing their assigned tasks. There likely will be a high staff turnover rate, which leads to sunk productivity. Some employees force be laid off because of lowered incomes and this will further reduce confidence. Other employees might feel unrewarding and over-

worked as the organization will be under-staffed. This will aggravate the descending twisting and the business is likely to fail (Paula, 2016).

The issues of regular human capital development and training predominant, hence workers are not as efficient as they ought to be, equipment and approaches of production also becomes obsolete, by implication, their marginal productivity becomes extremely low and this leads to low real income low savings, low investment and consequently low rate of capital formation. In this regard, misemployment of human capital in Nigeria has bring Poor reward system retarding the achievement and development of human capital becomes a big challenge militating against organizational productivity in recent times.

Human capital Planning is integral to the efficient running and continued success of an organization. At times, many establishments and business owners due to situations, certain business factors or extraneous issues have a badly mismanaged human capital. The resultant poor human capital planning has an immediate and long-term impact on organizational functioning, employee recruitment and management policies and corporate profitability.

Lack of human capital planning can have a negative effect on workplace productivity of the organisations Unproductive workers are not enthusiastic or engaged in their job duties and responsibilities. In many cases, poor management of human capital, lack of motivation and changes in organizational structure are at the forefront of an unproductive workforce.

The high cost of training is another factor that prevents organizations from training their employee. The human resources department is charged with ensuring that the managers have the training and resources necessary to meet the needs of employees. Were the costs is too high, it becomes a problem and ill likely lead to low productivity. Another aspect that geared the employees of an organization towards high productivity is the methods of motivation that the organization is using. It is usually said that a hungry man is an angry man. When employees are well motivated and well catered for, be rests assure that you will not only get an acceptable productivity, but also a higher productivity as the case may be. Where there are not well motivated, they become demoralized and it will possibly lead to low productivity.

The main objective of this study is to critically examine the effect of human capital development on organizational productivity.

Research Questions

- How does absence of human capital planning lead to low productivity?
- Does high cost of training stop firms from training their employees?
- What type of motivational elegance increases productivity the most in an organisation?

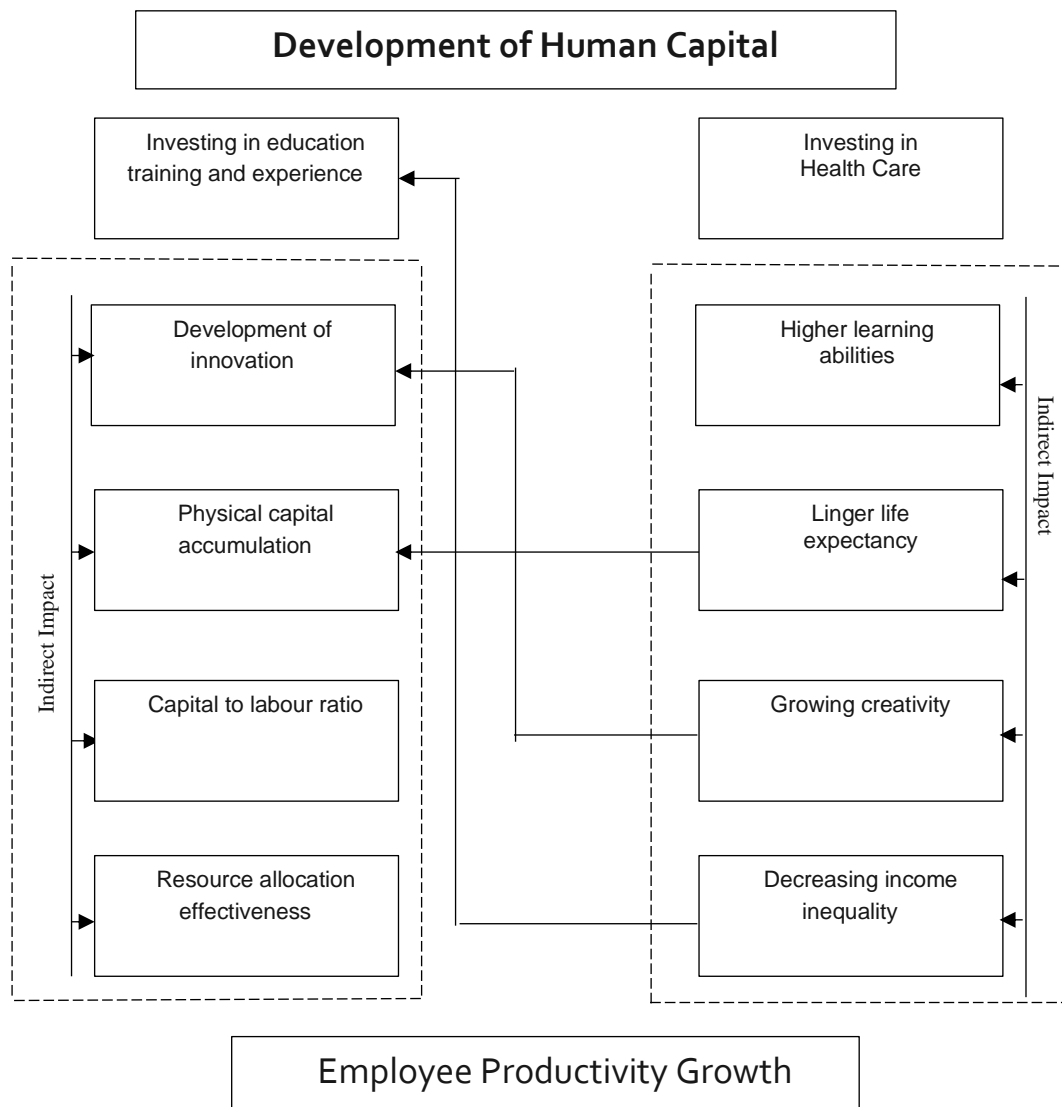
Literature Review

Concept of Human Capital Development

According to Schultz (2009), view human capital as a key component in cultivating a firm assets and employees in order to upsurge production as well as withstand reasonable benefit. Rastogi (2000) stated that human capital is an important input for organizations particularly for employee's incessant improvement mainly on knowledge, skills and abilities. This, the definition of human capital is referred to as "the knowledge, skills, abilities. Thus, the definition is attributed to the potentials personified in individual that facilitate the creation of personal social and economic well-being." Alan (2004) opined that the concept of human capital includes investment in the skill of labour force, including education and vocational training to develop specific skills. The focus of all human capital development is on developing the most superior workforce, so that the organization and individual employee can accomplish their work goals in service to customers. Healthy organizations believed in human capital development and cover all of those bases. Human capital is a crucial component of an organization's overall competitiveness. It can be argued that economic growth, employment levels and the availability of skilled workforce are interrelated. Economic growth creates employments, but economic growth partly depends on skilled human resources of an organization.

The Impact of Human Capital Development on Productivity

The concept of human capital was fashioned by the change in the configuration of the capital involved in the product development process. provenience and Tamasanskierie (2014), define human capital as a personal knowledge, acquired skills, education, experience, attitudes, behavior, intellect, originality, visions, accrued experienced, physical, emotional and mental condition of health, energy, orientation in the encouragement of the environment, the ability to properly and timely use the knowledge and skills, and other personal characteristics that increase the productivity and income in the form of wages as well as the revenue of an organization. It is the most developed human capital concept, covering both human capital components and goals and the results of its development (increasing employee productivity and employee income. based on this definition, it can be said that the concept of human capital is multi-dimensional and includes elements of human capital and the impact and utilization of its resources on individual income and the organization at large, and can be analyzed in a micro and macro level. As many authors note, (Drucker, 1999; Delsen and Schonewille, 1999; Chani and Shahid 2012; whalley and xillang, 2013; and others), human capital inspirations the country's economic growth, employee productivity and upsurges national attractiveness.



The model of human capital development impact on employee productivity (business, management and Education, 2014, 16 (1: 1-12).

The Significance of Human Capital Development on Productivity of an organization

Human capital management holds not only the existence of separate firm, but also to nation's economy as a whole. Human capital management is used for examining the service relationship. It is more unified than the technical piece meal approach of potential management. Human capital management agenda is business related and thereby contributes to overall success of organization consequently. According to Ques (1990), human capital is good for strategic integration, high commitment and high flexibility. Human capital management treats individuals rather than an expense and views expenditure on training as an investment rather than cost. Whatever the choice of technology or decisions on the organization of the personnel function, effective human

capital development and successful implementation of the personnel activities are essential ingredient to improved organization performance for instance, Lynch refers to the importance of people as vital resources for sustainable competitive advantage. The activeness of a man or woman is an essential future for any company and for some industrial people, they are not just important, but they are also the key factor for successful performances.

It is necessary to have an effective personnel functions whether it is the responsibility of the owner or of managers even in the smallest organization or in the organization where a specialist department has not been established, there will be a need to recruit staff, to train them, to motivate and reward them to comply with the law relating to employment. Human capital is concerned with development and application of policies governing manpower planning, recruitment, selection, placement and termination. Departments of medium size or large firms include individuals with specific training and or experience in carrying out various specialized functions in respective organizations. Effective human capital management is key and very realistic, although it is time and money consuming as well as difficult to implement. An effective and efficient human capital management and development is the only hope for producing higher productivity. The significantly influenced productivity is as a result of the importance of human capital people operate the machines, design the new product and deliver the service. People decide the objectives of the organizations, without effective human capitals, it is impossible for organizations to achieve those objectives.

The rapid development of human capital has led to greater attention being paid to training. Human capital development is any activities which leads to the improvement in the quality (productivity) of workers, thus, training is an important components of human capital development. It refers to the training undergone by a person that increases his or her capabilities in performing activities which are of economic values.

The Meaning of Productivity and Employee Productivity in Organization

According to Drucker (2008) "productivity means the equilibrium between all issues of production that will give the greatest productivity for the minimum effort." Productivity describes various measures of the efficiency of production. A productivity measure is articulated as the ratio of output to inputs used in a production process, i.e. output per unit of input. Productivity is a crucial factor in production performance of firms and nations. Increasing national productivity can raise living standards because more real income improves people's ability to purchase goods and services, enjoy leisure, improve housing and education and contribute to social and environmental programmes. Productivity growth also helps businesses to be more profitable.

Employee productivity (sometimes referred to as workforce productivity is an assessment of the efficiency of a worker or group of workers. Fleck, (2009). Productivity may be evaluated in terms of output of employee in a specific period of time. Typically, the

productivity of a given worker will be assessed relative to an average for employees doing similar work. Because much of the success of any organization lies upon the productivity of its workforce, employee productivity is an important consideration for businesses.

Strategies for increasing employee productivity:

- Employee engagement: Disconnected employees slog a company down, but engaged employees show up more often, stay, longer, and are more productive overall.
- Improve cultural fit with better recruiting: A focus on cultural fit even before employees log their first hour can save time and money down the road.
- Improve employee skills with training: Once screened, hired, and on the job, training is a crucial part of ensuring productivity.
- Encourage autonomy by not micro managing: The most effective tool for increasing productivity is having managers back off (Slaughter, 2015). He says, "The best way to encourage productivity is to encourage individuals to take ownership over how they manage their own time and resources."
- Focus on the future with clear communication: Communication is the key to success. Without effective, two-way communication, businesses fail. Managers who effectively communicate clear expectations and responsibility to their employees will be rewarded with an engaged, productive workforce.
- Boost productivity by encouraging self-care: According to the American institute of stress, between 1996 and 2000, the number of employees calling in sick to work due to stress tripled. This can be handled by encouraging team members at all levels to care for their mental, physical and emotional health."

The Need for Manpower Planning in Human Capital Development to Enhance Productivity

According to Gordon Macbeath, manpower planning involves two stages. The first stage is concerned with the detailed "planning of manpower requirements for all types and levels of employees throughout the period of the plan," and the second stage is concerned with planning of manpower supplies to provide the organization with the right types of people from all sources to meet the planned requirements."

According to Vetter (2010), the process by which management determines how the organization should move from its current manpower position to its desired manpower position to its desired manpower position. Through planning management strives to have the right number and the right time, doing things which result in both the organization and the individual receiving medium long-run benefit.

The need for manpower planning (management study guide, 2008). Manpower planning is a two-phased process because manpower planning not only analyzes the current human resources, but also makes manpower forecasts and thereby draws employment programmes. Manpower planning is beneficial to firm in the following manners:

- Shortages and surplus can be identified so that quick action can be taken wherever required.
- All the recruitment and selection programmes are based on manpower planning
- It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
- It also helps to identify the available talents in a certain area and accordingly training programmes can be chalked out to develop those talents.
- It helps in growth and diversification of businesses
- It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

Recruitment, Selection and Productivity of Workers

Suresh and Karam (2009), defines recruitment as the process of searching for and obtaining sufficient number and quality of potential job seekers or applicants to enable the organization to select the most appropriate people to fill its job needs. It is pertinent to note that the process of recruitment must begin with a clear specification or understanding of manpower needs. It should consider the time that the manpower requirement must be met, for instance, the labour market to be contacted for fresh graduates with not less than a year experience in the national youth's service corps. Labour market simply means an area where employers could easily get the type of workers they need to carry out relevant duties and employees are available to seek employment. Selection according Suresh and Karam (2009), is the process of gathering information for the purposes of evaluating and deciding who should be employed or hired for the short and long-term interests of the individual and the organization. In other words, it is the process of getting the best of most qualified candidates from the pool of job seekers adjudged to have potentials for job performance.

Motivation and Compensation

The willingness to do something depends on how well an organization's management integrates the interest and needs of employee with the objectives of the organization. According to Oladimeji (2009), motivation is the act of influencing and stimulating the actions of individuals. It can be linked to a kind of driving force within the individual that prompts him to engage in behavior that is goal directed. Motivation is about motivating people to make them move in the direction you want in order to achieve a stated result. Nmadu (2004), defines motivation in terms of outward behavior. Motivated people put in more effort than the unmotivated people; motivation is the willingness to do something conditioned by this actions ability to satisfy some needs for the individual. According to Kankia (2011) motivation can be distinct as the will to achieve. Human performance can be defined as being strong-minded by the level of communication between motivation and ability. i.e. performance motivation.

These various theories of motivation range from the simplex which focus on human need to the complex ones which attempts to cover virtually every imaginable factor which could influence organizational behavior as well as work performance. In all these, there is some agreement on the range of factor which must be understood in any attempt to know how motivation operates at the work place, these factors include: The impact of large organizational environment, The behavioral implication of the required task and the characteristics of the individuals.

Human needs vary and needs which an individual seeks to realize in a given context at any given time depends on his characteristic. Oladimeji (2007), itemize the characteristics to consider as: Cultural orientation: ethic religion, cultural norms, values, and beliefs of his culture, Social background: Position, family situation, religion, affiliation, etc., Personality and Demography: Age, sex, marital status, educational background, etc.

Human needs that initiate the motivation process are many. They are manifested in different ways because of the contributions of industrial psychologist and industrial sociologists. Abraham Maslow in his book motivation and personality (1908-1970) described motivation as an ascendance of different unsatisfied needs. The classes of needs identified by Maslow are: Physiological, security or safety, social, esteem and self-actualization needs. When one set of needs is satisfied, it ceases to be a motivator; motivation is then generated by unsatisfied needs further up the hierarchy. A satisfied need is not a motivator. The most powerful employee need is the one that has not been satisfied.

Training and Development of Human Capital for Organizational Productivity

Training and development of human capital are very crucial and vital if productive, effectiveness, efficiency and organizational survival are to be achieved. According to Folayan (2008), the term "training" and "development" are often used interchangeably, even though they have somewhat different connotations. Training refers to the ways in which specific knowledge and skills necessary to perform a specific job are taught and learnt while Development implies a parallel procession which people acquire more general abilities and information but in ways that cannot always be tied directly to a particular task they perform.

Nmadu (2009) also defined training as an organizations exertion to change the working behavior or brashness of workers so that they can perform to acceptable standard on the job. It is aimed at changing the behavior of workers at work place into efficiency and higher performance standards which eventually leads to higher productivity in an organization. Training tends to be connected with non-managerial employees while development usually refers to management staff. Training and development activities are integral and important aspect of human capital development. Nmadu (2009) point out some importance of training and development in organizations which includes the following: Reduced accident: Trained employees can perform with little or no accident at all, accident are mostly caused by deficiency in people than deficiency in equipment and working conditions proper

training reduce accident rates in a working environment. , Enhance organization stability and flexibility: The ability of an organization to sustain its effectiveness despite the loss of keys personnel can be developed only through creation of a reservoir of trained replacement. The biggest organizational asset is trained and motivated personnel.

Training and development method can be alone internally. The method of training adopted by any organization is determined by various factors such as cost, time available, number of workers to be trained, depth of knowledge required and background of trainees (Flippo, 2009). According to Folayan (2008), organizations are likely to choose internal programmes when certain conditions are prevalent.

- When there are substantial volumes of activities
- When training can be accomplished more economically or in a better planned time.
- When special techniques or other subject matters require the use of the company's own specialist.

There are some types of training that can be given to employee in workplace or in an organization (Smriti Chand 2014). This includes:

- **On the job training:** This involves employees or trainees to be train by allowing them to perform the tasks under the guidance of an experienced worker.
- **Classroom training:** Classroom training is commonly used when concepts, theories, attitudes and problem-solving abilities need to be learnt. Also, classroom training is available from various sources, particularly courses offered by schools, colleges, of technology, polytechnics and university.
- **Vestibule training:** It involves a systematic training provided for a few employees in an environment replicating the actual production environment i.e, using facilities, equipment and workshop material normally used in the work place. Emphasis is usually placed on learning rather than production in vestibule training.
- **Management development method:** According to Folayan (2007), management development takes several forms, from personal counseling to subsidize or fully sponsored university course. The programmes include human relations training, general supervision training, making and for managerial positions.

Two other major types of management development programmes are understanding and job rotation.

The programme supplies an organization with an offer of as much competence as his superior to fill his (the superior's) post which may become vacant due to promotion, retirement or transfer. Job rotation covers temporary assignments in various departments to familiarize junior executives with the various operations of the enterprise.

Research Methodology

In this research, the descriptive method was adopted. Using the descriptive design, only a part of the population was studied and findings from this are expected to be generalized to the entire population. The researcher considers not only the proportion of the population

that would be included in the study but also consider how to obtain this in such a way as to ensure that resultant sample is sufficiently a representative of the population. The sample size for the total population used for this study is seventy-five (75) Out of total population of one hundred and thirty-five (135) as the size which shall be selected using simple random selection technique in form of hat drawn method. There are a lot of methods that can be used in gathering of data for a research but for the purpose of this research work, the researcher adopted primary and secondary sources of data.

Presentation and Analysis of Data

Demographic Characteristics of the respondents

Table 1: Questionnaires administered and collected

Variables	No. Of respondents	Percentage
Total no. of questionnaires administered	135	100%
Total No. of Questionnaires collected	75	56%
Total No. of Questionnaires not collected	60	44%

Source: Field Survey: 2018.

From the table above, a total of one hundred (135) Questionnaires were distributed, seventy-five (75) were returned which represents 56% while ten (60) questionnaires were not returned and it represents 44%. The failure to return the remaining questionnaires was most likely due to lack of knowledge about the purpose of the questionnaires by the employees on the non-chilling attitude of some respondents. This indicate that the paper considered valid of the 75 questionnaires returned which represent 56% and the 60 questionnaires of 44% which were not collected are considered invalid due to error of omission therefore analysis will be drawn based on the 75 questionnaires collected for this study.

Table 2: Respondents Distribution on Sex

Sex	No. Of respondents	Percentage
Male	50	67%
Female	25	33%
Total	75	100%

Source: Field Survey: 2018.

From the table above, we can see that the population of male is more than the female. Fifty (50) of the respondents representing 67% are male while the remaining twenty-five (25) representing 33% are female. This shows that the men are more than the women in the organization. It indicates that the males are more active in responding to the questionnaires due to their exposure to research question. It also indicates that the male questionnaires will be more than that of the female.

Table 3: Respondents Distribution on Marital status

Status	No. Of respondents	Percentage
Married	27	36%
Single	25	33%
Divorced	8	11%
Widowed	15	20%
Total	75	100%

Source: Field Survey: 2018.

From the seventy-five (75) questionnaires returned, thirty (27) representing 36% are married, twenty-five (25) representing 33% are single, eight (8) representing 11% are divorced, and fifteen (15) representing 20% are widowed. This means that those who are married are more than the singles, divorced and widowed in the organization. This means that men have the highest number in the survey, because they stand the chance of giving valid respond to the questionnaires of this survey since they are married.

Table 4: Respondents Distribution on Age

Age	No. Of respondents	Percentage
21-30 years	8	11
31-40 years	15	20%
41 – 50 years	25	33%
51 – 60 years	17	23%
61 and above	10	13%
Total	75	100%

Source: Field Survey: 2018.

From the above, it shows that those within the age 21-30 are 8, representing 11%, those within the ages 31-40 are 15, representing 20%, those within the ages of 41-50 years are 25, representing 33%, Those from the ages of 51-60 years are 17, representing 23%, and those from 60 years and above are 10, representing 13%. This shows that majority of the workers that filled the questionnaires are between the ages of 41-50 which represents 33%. This means that those from the age of 41-50 years are more productive and experience due to the years they have put in the work and are useful for this study.

Table 5: Respondents Distribution on Position

Cadre	No. Of respondents	Percentage (%)
Senior Staff	47	63%
Junior staff	28	37%
Total	75	100%

Source: Field Survey: 2018.

From the above table, the respondents that filled the questionnaires are forty-seven (47) senior staff representing 63% and twenty-eight (28) junior staff representing 37%. This implies that the senior staff has the higher respondents because they are the majority and

expert in experience in the job so their opinion is considered more useful to the research. While the junior staff are considered to be important also but have to be given more chance for training in other gain more experience as menace of human capital development.

Table 6: Respondents Distribution on Education Qualification

Sex	No. Of respondents	Percentage
O and A level	5	7%
OND/NCE	16	21%
BSC/HND	29	39%
MSC and above	25	33%
Total	75	100%

Source: Field Survey: 2018.

The table above shows that the respondents who filled the questionnaires with 'O' and 'A' level qualifications are five (5) representing 7%. Those with OND/NCE are sixteen (16) representing 21%. Those with BSC/HND are twenty-nine (29) representing 39% while those with MSC and above are twenty-five (25) representing 33%. The analysis simply indicate that majority of the staff educational experience are those from the class of BSc and HND holders because they are professional, enlightened and educated enough to respond to questionnaire administered to them which has saved that they are active to respond to the survey. It also means that the organization has qualified and well-educated staff which will enhance productivity in the organization.

Conclusion and Recommendations

Conclusion

The literature review shows that there are rationally resilient indications to 'human capital enhancement' in organizations promotes innovativeness and greater organizational performance. Studies also clearly authenticate the fact that economic performance is positively wedged finished the consideration of human capitals. In light of this, the performance in relation to human capitals should not be viewed as a sensation that only complements 'more zeros' in a firm's profits; it is rather transmuting the entire labor force as the most 'valued assets' in order for the organization to surface ways for greater accomplishments via innovativeness and creativity. Hence, companies should therefore, come up with some operative plans particularly in advancing the various characteristics of human capital as not only does it direct firms to attain greater performance but also it safeguards firms to persist inexpensive for their long term existence. Therefore, based on the above conclusion the following recommendation was made:

- The management should make sure staffs of the organization are regularly given the chance for further exercise which in turn will support the workers to be productive in their various tasks.

- The management should untrained more weight on human capital development in order to encourage a pleasant relationship which win serve as a very good tool for strategic integration, commitment and flexibility of work.
- Management should regularly give fringe benefits such as medial transport housing and leave allowance as good strategy which will help the worker to perform better for higher productivity.
- The management should make sure that, the policies of the business and it corporate strategies should be well communicated to its employee to get understanding of it in order to have a corporate goal and achievement for the organization, by given or stating polices and strategies that are not too rigid.

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