
Impact of Human Capital Development on Organizational Productivity

Sabastine Nwankwo Jnr

19 Airport Omuodukwu, Igwuruta, PH Rivers state

Rivers state, Nigeria

nsabastine08@gmail.com

Abstract

This article examines the objectives and dynamics of human capital development in organization with particular emphasis on public and private sector in Nigeria. It also examines the strategies that propel organization productivity and the need for training and development. Human capital development is generally seen as individual capabilities, knowledge, skills and experience of the organizational employees and managers as they are relevant to the task at hand, as was as the capacity to gain more skills and knowledge through training and development

Keywords: *Training and development improved productivity, workers performance. The nexus between human capital development and organizational productivity were discussed and recommendations made on how to propel organizational productivity.*

Introduction

Organizational management is tasked with generating an organizational system and integrating operations for high efficiency. Organizations seek to optimize their workplace through comprehensive human capital development programmes not only to achieve the organization's set out goals but the most imperative is to achieve a long time survival and sustainability. Economically, capital referred to those factors of production used to create goods or services that are not themselves significantly consumed in the production process, whereas the human aspect deals with all economic activities such as production, consumption and transaction necessary to move the products to the final consumers (Boldizzoni, 2008).

Human Capital can be traced to the Classical School of thought in 1776 known then as scientific theory according to Fitzsimons (1999). Schults (1961) posited that Human Capital is one of the important factors that determine economic growth and organizational productivity. Marimuthu, Arokisasamary, Ismail, (2009:265) avers that organizations will need to invest its resources to ensure that employees have the required knowledge skills and competencies they need to work effectively and efficiently in a rapidly changing and competitive environment.

According to Onah (2008:187) Human capital development refers to a process that relates to the training and education and other professional initiatives in order to increase the level of knowledge, skills, abilities, values and social assists of an employee which will lead to an employee's satisfaction and performance, and eventually on the organization performance. However other activities that are necessary in the process of human capital development include adequate health care and welfare of employees, all these combine to improve the north of the employees, hence improved human capital.

Generally in the current global market, organizations weather public or private is composed of competition regardless of industry. In order to develop a competition advantage it is important

that organizations truly cover on the welfare as competitive weapon. A strategy for improving welfare productivities to drive higher value for the organization has become an important focus. The origin of training and staff development in Nigeria dated back to 1970. Before this time, training and development had been going on in Nigeria without notice. It has brought to lime light at the 14th annual general meeting of Nigeria Employer Consultant Association (NECO) in December 1970, when chief Anthony Enahoro, the then federal commissioner for labour and productivity commissioner on the importance of role of employers in training their employees (Igaekem, odirwri, 2014).

For any organization to achieve its pelted out objectives, there is a need to have a well-focused programme of its employees in order to improve their performance, once an organization has employed those it consider suitable and most qualified to perform their given taste assigned to them however, it is importance to set up machinery for an effective human capital development programs of the newly employed staff.

According to Bonitos, Dragonethi, Jacobsen and Roos (1999) Human capital is the combined intelligence, skills and experience that gives the organization its distinctive characters. In otherwise human capital development is all about the training, education and other professional initiatives geared toward increasing the level of knowledge, skills, abilities values and social assets of workers in a given organization in order to achieve to achieve workers satisfaction, improve their performance and above all lead to high organizational productivity.

Theoretical Framework

The Resource based theory was developed by Wernerfelt (1984), Rumelt (1984) and Barney (1986) in the mid – 1980s, the resource – based view (RBV) has since become one of the dominant contemporary approaches to the analysis of sustained competitive advantage. The main premise of the Resource Based Theory is that organizations compete on the basis of their resources and capabilities (Peteraf and Bergen (2003). The resource based theory chairs attention to the strategic value of the workplace learning issues which includes (Penrose) knowledge and experience of the mgt team.

Armstrong (2006) avers that resource based theory, as it recognizes the strategic capability of a firm depends on its resource capability which is usually the human resources. To achieve success among the organization competitors and increased productivity, the human resources must be developed by way of learning and practicing to become competent.

The central principle of this theory is that resources are the fundamental forces in human resources management and particularly the human resources and managers are accentuated to understand the immerging trends of knowledge and learning. The resources based theory specifies that caliber and human talents have must be developed and utilized before organizational and personnel objectives and increased productivity.

Method for Human Capital Development.

(1) Employer development method: Employees should be made to work where there is availability of good working conditions. These would make him /her show interest in his work .The employee is made to work in such a way that he regards the objective of the organizations as his own. Employees should be allowed to communicate freely and associate with one another in the organization. Adequate opportunity, time infrastructure, welfare and motivation should be given to the employees for career development.

[2] Training: Training impacts various attitudes, habits and capabilities etc into workers it enables them to occupy various positions in the years to come. For an organization to have a well-developed workforce, it has to arrange for training programmes, training should be a continuous programme and a lifelong process. Job itself is an instrument of training i.e. on the

job training. Here, the workers are being trained while performing their assignments. According to Nwizu (2008: 273) training is the process of developing certain skill, knowledge, habits and attitude in the employee for the purpose of increasing the effectiveness and efficiency for further organizational position. Administrative Research Committees sees training as an investment in human resources; it is an important means of improving human potentials and increasing the efficiency of personnel.

Most organizations that are viable and have every potentials for growth and expansion often fail due to lack of trained workforce while in the public sector, human capital development has been attributed to the rituals yearly budget presentation at the National Assembly, and therefore employees development is low to be translated to work performance to enable the organization achieve its set goals and objectives.

Marimuthu, Arokissary and Ismail (2009), avers that in order to achieve increased productively in an organization that the organizations will need to invest in resources that will enable workers have the required skills, knowledge and become experts in their work to match effectively in a rapidly changing and competitive business environment training leads to increase in productively it makes one to know the most efficient and way to perform a given task. Increase performance leads to increased productivity. It also improves the quality of workers. Training can be carried out through two ways; the formal and informal training. Formal training involves pre-entry training, orientation training, in- service training and post – entry training while informal training involves no recognized and pre-determine procedures, it is basically the training received by doing the work and learning while on the job. Here, there is a day to day relation with the employer and superiors or supervisors.

Techniques of informal training includes:

- 1.Apprenticeship
- 2.Job rotation
- 3.Training by Supervisors
- 4.Delegation of responsibility
- 5.Membership of Committee or Board etc.

Conceptualization

Human Capital Development

The concept of Human Capital refers to the abilities and skills of human resources of a particular country whereas human capital development refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are necessary for economic growth and development of a country's economy (Okiojie, 2005). According to Harbison (1973) Human Capital Development refers to the deliberate and continuous process of acquiring requisite knowledge, skills and experiences that are applied to produce economic value for driving sustainable development. Also, Ejere (2011) posited that Human Capital simply means the factors in the production process and consists of the combined knowledge, skills or competences and abilities of the workforce. Note that of all factors of production, it is only human beings that are capable of learning, adapting, changing, innovative and creative.

The researcher sees the Human Capital Development as a conscious and routine process of igniting knowledge and acquiring the skills necessary to propel organizational productivity. Human Capital development can also be seen as periodic updating of old skills and developing new or recent ones. In this 21st century, for an organization to achieve its objective comes the need to have a well-focused programme of its employees in order to improve their performance.

When an organization has employed those it considered qualified, suitable and competent to perform those jobs for which they were hired, it will then set up machinery for an effective Human Capital development programmes of the newly employed staff.

Organizational Productivity

Organizational productivity refers to the capacity of an organization or business enterprise to produce at a very best.

Organizational productivity implies level of output after input has been made, how well an organization functions.

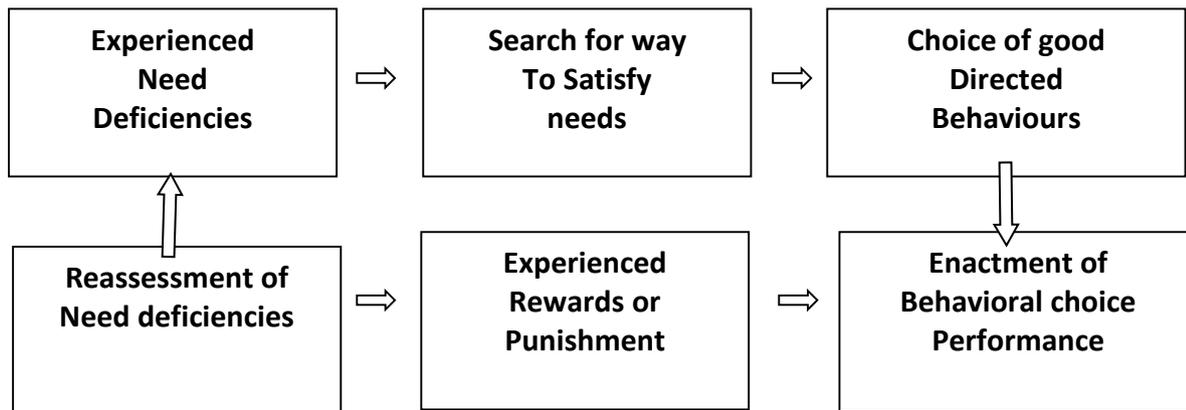
According to Mali (2008) productivity refers to a measure of how well resources are brought together in an organization and utilized for accomplishing a set of results. Productivity is seen as the level of performance with the least expenditure or resource. The effectiveness of the use of the factors of production to produce goods and services in any given organization is often referred to as productivity. Organizations gain by improved organizational productivity and the workers gain by receiving the rewards and satisfaction that come from advancement.

Strategies for organizational productivity

This will showcase the requirements and development of people who will manage the structure of the evolutionary organization in the future.

- 1. Human Resource planning:** Human resource planning is a primary management activity that involves a careful analysis of the existing workforce and job.
- 2. Performance Mgt:** This refers to the systematic process for improving organizational performance by developing the performance of individuals and teams. It simply implies getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements (Armstrong 2006).
- 3. Employees Discipline:** Employee discipline implies the level to which the employees of an organization are able to conform and totally submit themselves to the rules and regulations governing their conduct in the organization (Onah, 2006).
When employees are disciplined, they tend to concentrate on their specific task and these will prevent conflict in the organization, thereby propelling organizational productivity.
- 4. Motivation** – Motivation can be seen as a set of forces that lead workers to behave in a particular way. It represents the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior. Every organization wants to motivate their employees to be more productive.

The Motivational Framework.



Source: Moorhead and griffin 1995.

5. Performance Appraise: - Performance appraisals enable employees to gain information on their performance as well as the expectation as well as the expectations of the organization on their job performance. A proper appraisal system generally reviews employee's performance, conduct, and all aspects of their employment that need to be appraised. Performance appraisal affords the employees the opportunity to see themselves from the point of view of the organization attitudes, conduct and performance behavior that need improvement will be highlighted periodic performance appraisal is very important for the development of the quality of all staff. It should be an annual event. Performance appraisal ensures that workers are active on the job and in turn propels organizational productivity.

6. ICT Training Programme: In this 21 century workers needs regular training information Communication Technology (ICT), as Technological advancement has taken over many organizations recently according to Oriafor (2005) ICT involves the integrated application of computers and telecommunication system used in collation, analysis processing, storage, retrieval, transmission & communication of information or data through different ICT helps in making performance easier and faster.

The value of investing in the development of workers in order to improve organization effectiveness and efficiency has been recognized by successful organizations for many years. The time and resources spent on developing skills, knowledge behavior of workers to achieve the desired objectives of the organization is one of the best investments in nature, the utmost need to be current and relevant in all sphere of human endeavor make staff development a necessary to keep up with today's high competitive labor market (Griffen, 1998).

According to Igbaekemen, 8 Odivwri, (2014) the need for rapid human capacity development goals is felt almost everywhere and particularly in the developing countries. In most organization especially the public sector organization in Nigeria, workers training and development had not received the desire attention due to the low levels of investing in human capacity development.

Abubakar (1992) avers that human capital development which refers to the building, effective and efficient utilization of skills is an essential element of modern development strategy human capital formation is the acquisition and increase in the stock of workers with required skills, education and work experience needed for orderly development when workers are recruited nearly into any organization, they will lack the necessary skills and expertise in performing that job hence, they learn on the job through attending special training and development course

which is either internally or externally organized .So organization especially in the private sector go as far as sending the workers on training outside the country .

Conclusion

Since every organization pursues the achievement of its desired objectives, therefore human capital development is imperative in this 21 century, where there is high competitiveness in the labor market.

Training and development in every organization should be a continues process .As a matter of fact it should be frequent, because this will help to a large extent In achieving organizational productivity, motivate workers, completely eradicate industrial instability and even reduce wastage. The impact of Human Capital development on employee's productivity in an organization cannot be overemphasized; this is because the extent to which an organization succeeds or fails largely depends on the type and level of training its employees receive.

Recommendation

1. There should be provision of an acceptable facilities and materials, train workers on them so that they can be competent in the job.
2. Never recited workers should be well trained on a specific task before assigning roles of them in the organization
3. Performance appraisal should be conducted periodically, this will help to ascertain the performance level of each worker and reward them accordingly.
4. Motivation packages should be constant; Motivation package such as increase in salaries, social welfare package it is when workers are motivated that they put in their very best in work.
5. Finding- Organization should have the penchant in human capital development. The organization must be able to accost a reasonable source of money for the workers training and development.
6. Organization both public and private should embrace human capital development. It should be such as large investment rather they have organization branch.
7. Organization should inculcate the habit of attending seminars, and conferences, these are vital avenues where new skills are developed and discovered .As it helps to train and develop the workers in the process leads to development of a powerful labor force that will in turn people organization growth.

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