

**HUMAN CAPITAL DEVELOPMENT AND EMPLOYEE JOB
PERFORMANCE: A STUDY OF DOUBLE DIAMOND PLASTIC
MANUFACTURING FIRM, ABA, ABIA STATE, NIGERIA**

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ABSTRACT

The study, Human Capital Development and Employee Job Performance was an attempt to explore the implications of human capital development on employee job performance of Double Diamond Plastic Manufacturing Company, Aba, Abia State, Nigeria. The complexities of the ever changing business environment predisposes organizations to place emphasis on human capital development, for the requisite skills needed to achieve and sustain greater operational effectiveness and efficiency that will afford them greater leverage for improved performance. The study employed a correlational design in an attempt to determine the direction and magnitude of the relationship between the studied variables. Structured questionnaire drawn on 5 point scale rating was administered to a sample of one hundred and sixty five (165) respondents drawn from the population of the study. The data collected from the respondents were analyzed with Pearson's product moment correlation and p-value. The results show a positive relationship between on-the-job training and quality of employee job performance. This was shown by a positive correlation coefficient (r) of (0.97) and the result on the second objective shows a positive relationship between off-the-job training and worker efficiency. This also was shown by a positive correlation coefficient (r) of (0.84). The implication is that increased in human capital development enhances employee job performance, which in turn, leads to increased organizational performance. In the light of the findings, the study recommends that organizations should allocate considerable efforts, time, and resources to invest on human capital development for the acquisition of practical skills, and learning experience deep-rooted on the work for operational excellence.

KEYWORDS: Human Capital, Performance, Training, Efficiency, Quality of Work

INTRODUCTION

The emerging trend in the changing business environment is orchestrated by the interplay of the various elements of the environment. The demands to meet the challenges of competitive nature of business environment and considerable upsurge in technologies have predisposed organizations especially Double Diamond Company to place emphasis on human capital development in order to enhance employee job performance. (James, 2009). The concept of human capital was fully developed in 1960s with the emergence of human capital theory propounded by Schultz (1961). The former discussed educational expenditure as a form of investment whereas the later developed a theory on human capital formation that analyzed the rate of return to investment in education and training (Agha, 2014).

James (2009) contends that human capital is a wealth of knowledge, habits and personality attributes that includes creativity enshrined in individuals to perform a task in order to produce result. Therefore, human capital is a collation of resources that consist of experience, intelligence, skills, knowledge etc that are possessed by individual. Agha (2014) confirms that the employment of academically qualified workers in a given organization is the inception of sustainable human capital development. Human capital according to Oforegbunam, Ebiringa and Okorafor (2010) has increasingly become an indispensable index considering the dynamic nature of business environment to the point that development of such capacities especially through training has therefore emerged as a necessary requirement in preparing a long-term strategic plan of the organization. Marimuthu, Arokiasamy and Ismail (2009) see human capital development as a sustained strategy for enhancing employee job performance to achieve a competitive advantage in the changing business environment. Thus, organizations strive to optimize their workforce through comprehensive human capital development programmes in order to take abreast of its environment with respect to improved technologies, innovations and market economies. This, however, will enable the organizations to achieve and sustain greater operational effectiveness and efficiency that will afford them greater leverage for success (Grey, 2005). As a result, Plastic Manufacturing Firms are increasingly demanding superior skills, increased productivity and work-related knowledge from their workers. These demands however emphasize the need for human capital development in Double- Diamond Plastic Manufacturing Company, Aba, Abia State.

Double- Diamond Plastic manufacturing firm was incorporated on the 29th day of March 1989 with it's Head quarters at 107 Okigwe road, Aba, Abia State. The factory operations site is situated at Kilometer 2, Umuduru road by Por-Harcort-Enugu express way, Osisioma Ngwa Local Government area, Abia State. The firm is a key player in the production of house hold products to include bread wrappers, polythene bags, jerry cans, plastic buckets, bowls, plastic plates, spoons, hangers, plastic sheeting, bottle carriers, bundles of carefully packed products and roles of plastic sheeting of different colours and sizes, containers of various shapes and sizes as specified by the customers (Double Diamond Plastic Industrial Limited, 2013).

Problem that Necessitate the Study

Double-Diamond Plastic Manufacturing Firms seems to be grappling with employees' counterproductive attitudes to work, which may be indicative of the management's inability to design an institutional framework that would allow the employees to under go on-the-job training for enhanced quality work performance.

Employee work performance is abysmally low in Double-Diamond Plastic Manufacturing Firm as observed by the study; this may be attributed to lack of human capital development programmes like on-the-job- training, off-the-job-training and formal education for their workforce. The management seems to be indifferent in institutionalizing human capital development programmes as an organizational policy for enhanced job performance. Operations management is left at the mercy of the plant operators who neither have acquired proper training nor formal education. More so, the efforts of employees are affected by monotony of work and lack of innovation that causes boredom, work stress and affects worker's efficiency. These are occasioned by the absence of off-the-job-training that is capable of increasing employee knowledge and skill giving the dynamism of business environment. Consequently, the possibility of issues relating to human capital development may have contributed in making the employees dysfunctional in their operations which may have affected employee job performance.

OBJECTIVES OF THE STUDY

The general objective of the study shall be to determine the effect of human capital development on employee job performance. Specifically, the objectives are:

- To examine the extent to which on-the-job training relates to quality of work performance of Double-Diamond Plastic Manufacturing Firm, Aba, Abia State.
- To ascertain the extent to which off-the-job- training relates to worker efficiency of Double-Diamond Plastic Manufacturing Firm, Aba, Abia State

Concept of Human Capital Development

Human capital according to Mustapha, (2005) consists of knowledge, skills, dexterity and personality attributes that enable individual to perform a particular task in an attempt to produce goods and services that have economic value to the people. For effective and efficient human capital development organizations must place concerted efforts in training its employee's to take abreast of its changing business environment for improved job performance in organization (Mustapha, 2005). The trend in technology and market economies however, emphasizes the need for organization to find ways of developing and mobilizing the intelligence, knowledge and creative potential of human capitals in an attempt to meet the demands of the environment.

John, (2000) sees human capital as a compendium of knowledge, abilities, and skill inherent in individual that emanates from natural endowment, formal education and training. Udu, (2014) sees human capital development as the education, skill levels and problem-solving abilities individuals possessed that make them to be productive workers in the global economy. Human capital development according to Stone, (2002) plays an indispensable role on employee job performance as it provides an institutional framework for skill acquisition necessary for operational efficiency. Therefore, the extent to which members of organization contribute in resource allocation, mobilization, and utilization to large extent depends on human capital development. No wonder, Hill,(2001) contends that human capital is increasingly an indispensable key factor in enhancing employee job performance in order to sustain competitive advantage giving the dynamic nature of business environment.

Types of Employee Training

On-the-job-training according to Hill, (2001) is a process of teaching employee on the skills, knowledge as well as competencies that are required to perform a specific job within the work environment. It uses the existing work place equipments, document, skills necessary for employee to learn effectively on the job.

Off-the-job training is also employee job training that takes place outside the work place. This type of training is necessary according to John (2000) especially when there is infusion of new technologies within the environment.

Formal education is normal process of acquiring basic knowledge, skills, and how to read and write through schools. Agha, (2014) argues that the employment of academically qualified employees is a necessary start for sustainable human capital development in all organizations.

Performance Management in Organization

The goal of any organization is not only to survive but to sustain its existence by improving performance. Organizations must increase performance in order to meet the needs of competition (Arslan and Staub, 2013). Organizational performance means transformation of inputs into outputs for achieving certain outcomes. Ejiofor (1981) observes that performance management encompasses every formal methods adopted by the organization to enhance employees commitment and organizational effectiveness.

Agha (2014) identified financial performance indices to include percentage of sales, profitability, capital employed and return on assets. Acute (2003) argues that performance management is a systematic and holistic process of work planning, monitoring and measurement aimed at continuously improving the teams and individual employee's contribution to the achievement of organizational goals. Performance management therefore involves the integration of various sectional units for cross fertilization of ideas that would motivate the employees for anticipated behaviour towards attainment of organizational goal.

EMPIRICAL REVIEW

Agha, (2014) conducted a study of human capital development and organizational performance of selected Chief Executives of firms in the South-east, Nigeria. The study was designed to determine the effect of human capital development on organizational performance. The study administered fifty (50) copies of structured questionnaire to the Chief Executives of the selected firms out of which forty seven (47) questionnaires were successfully returned, hence used for the analysis. The study was a survey type of which correlational design was employed in an attempt to ascertain the extent to which human capital development relates to organizational performance. It was found that the organizational performance is relatively associated to her promotion of on-the-job training, formal education and employee participation in seminars as strategies of human capital development for her employee and concludes that firms in South East, Nigeria can attain significant improvement in their performance levels if effort is made to develop human capital through the strategies of on-the-job training, formal education, and participation in seminars and workshops. Thus, recommended that concerted efforts need to be made by the relevant bodies in the education sector in Nigeria to enhance the vocational and entrepreneurship content of academic programmes, offered by tertiary institutions in the country.

Udu, (2014) carried out a study on In-system human capital development in Nigerian Universities with focus on National Universities Commission (NUC) on Doctoral Degree. The study was design to explore the issues surrounding the weak human capital development in the Nigerian university system. The conventional content analysis method was employed in the treatment of information collected from the ten (10) universities in the South East, Nigeria because they share the same institutions, environmental and configurations with other universities in the country. The study found that Nigerian university system is made up of academic staff members who have divergent degrees in their numbers but dearth the pre-requisite capabilities, competencies and knowledge to effectively inculcate the right ideas and required skills to the students. The few who are actually academics are cumbered with work over load that they seldom have time to actively engage in incise research publishable in international journals.

Adeyemi, (2009) also conducted a study on human capital development and its implications on organizational performance. The objective of the study was to determine the effect of human capital development on organizational

performance of selected manufacturing firms in the South West, Nigeria. The employed a survey research design of which structured questionnaire was administered to the sample of 275 drawn from the population of the study. The data collected from the respondents were analyzed with Product Moment correlation coefficient in an attempt to determine the magnitude of the relationship between human capital development and organizational performance. It was found that there is positive relationship between human capital development and organizational performance and therefore concludes that organizations that wish to survive in the changing business environment must exert considerable efforts in training its human capital for enhanced employee job performance. The study recommends that organizations should come up with workable plan as part of their policy in investing on human capital development for enhanced job performance.

Theoretical Framework

The underpinning theory of this study was anchored on human capital theory. This theory was propounded by Schultz (1961). The theory believes that manpower development is a prerequisite for improved employee job performance. Therefore, operational skills, knowledge, and training acquired by individual worker tend to influence his/her perception to work. Therefore, the investment on human capital development adds to their value, dexterity, abilities that enhance employee job performance in the organization. For organization to achieve strategic capability must groom her workers to be more intelligent, knowledgeable, and flexible than their competitors. Therefore, the emphasis on human capital according to Udu (2014) synchronizes with the emphasis in strategy research on core competencies, where economic rents are attributed to people embodied with skills, knowledge.

Human capital theory emphasizes how education and training has increasingly contributed to improved productivity of workers by increasing the level of cognitive stock of economically productive human capability which is a product of innate abilities and investment in human beings. It is seen as an enlargement of human capabilities through education, training skills, work productivity and creativity (Odumegwu) 2005. The theory assumes that skill, and knowledge acquired ingrained individual workers with the necessary skills and operational capabilities needed for improved job performance in a work place.

The aforementioned theory supports this study because it overtly captured the need for human capital development as a prerequisite for the acquisition of operational skills, and knowledge that contribute significantly to employee job performance. Schultz (1961) confirms that skills acquisition enables organizational employees to come up with the desired skills that impact on employee job performance.

METHODOLOGY

The study was a survey-type of research in which correlation design was employed in an attempt to identify the direction and magnitude of the relationship between the studied variables. Structured questionnaire drawn on 5 point scale rating was administered to a sample of one hundred and sixty five (165) respondents drawn from the population of the study. The data collected from the respondents were analyzed with Pearson's product moment correlation and p-value. The test re-test approach was employed such that cronbach alpha coefficient was used to determine the reliability of the research instrument via Statistical Package for Social Sciences (SPSS) version 20.0. Therefore, the reliability result was 0.87 or 87 percent suggesting that the data instrument was reliable.

RESULTS

Table 1: Descriptive Statistics

	Statistic	Coefficients				
		Bias	Std. Error	95% Confidence Interval		
				Lower	Upper	
On-the-job-training	Mean	15.2970	.0048	.7037	13.9215	16.7208
	Std. Deviation	8.79039	-.05326	.46476	7.80131	9.61075
	N	165	0	0	165	165
Quality of work Performance	Mean	34.4545	-.0263	.4503	33.5394	35.3148
	Std. Deviation	5.99640	-.01727	.35146	5.26450	6.67562
	N	165	0	0	165	165

Table 2: Correlation Results between on-the-Job Training and Quality of work Performance

		On-the-job-training	Quality of work Performance		
On-the-job-training	Pearson Correlation	1	.097		
	Sig. (2-tailed)		.000		
	Sum of Squares and Cross-products	12672.448	834.727		
	Covariance	77.271	5.090		
	N	165	165		
		Bias	0	.001	
		Std. Error	0	.056	
		95% Confidence Interval	Lower	1	-.015
			Upper	1	.203
	Quality of work Performance	Pearson Correlation	.097	1	
Sig. (2-tailed)		.000			
Sum of Squares and Cross-products		834.727	5896.909		
Covariance		5.090	35.957		
N		165	165		
		Bias	.001	0	
		Std. Error	.056	0	
		95% Confidence Interval	Lower	-.015	1
			Upper	.203	1

Source: SPSS version 20.0

Note: All results are significant at an alpha level of 0.05.

$$R^2 = 94\%$$

Table 3: Correlation Results on Off-the-Job Training and Worker Efficiency

		Off-The-Job Training	Worker Efficiency		
Off-the-Job training	Pearson Correlation	1	.084		
	Sig. (2-tailed)		.000		
	Sum of Squares and Cross-products	1700.703	-1670.497		
	Covariance	10.370	-10.186		
	N	165	165		
		Bias	0	-.001	
		Std. Error	0	.056	
		95% Confidence Interval	Lower	1	-.632
			Upper	1	-.413
	Worker Efficiency	Pearson Correlation	.084	1	
Sig. (2-tailed)		.000			
Sum of Squares and Cross-products		-1670.497	5927.903		
Covariance		-10.186	36.146		
N		165	165		
		Bias	-.001	0	
		Std. Error	.056	0	
		95% Confidence Interval	Lower	-.632	1
			Upper	-.413	1

Source: SPSS Version 20.0
R² = 70%

Table 4: Descriptive Statistics

		Statistic	Coefficients			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
Off-the-Job training	Mean	8.9576	-.0022	.2563	8.4608	9.4603
	Std. Deviation	3.22027	-.01783	.10581	2.98351	3.40547
	N	165	0	0	165	165
Worker Efficiency	Mean	34.3576	-.0258	.4720	33.4367	35.3030
	Std. Deviation	6.01213	-.01420	.37624	5.20953	6.69730
	N	165	0	0	165	165

Source: SPSS Version 20.0

DISCUSSIONS ON THE FINDINGS

The result in table 1 shows the descriptive statistics of on-the-job training and quality of employee work performance of Double Diamond Plastic Company, Aba, Abia Sate. The result of the mean and standard deviation of on-the-job training and quality of employee work performance were 15, 2970, 8.79039, 34.4545, and 5.99640, respectively. The 95% confidence interval of both the upper and lower limits, are still within the specification order.

In addition, the result in Table 2 also shows that there is a significant relationship ($p=0.000$) between on-the-job training and quality of employee work performance of Double Diamond Plastic Company. This was shown by a positive correlation coefficient (r) of (0.97) and a coefficient of determination (r^2) of 0.94. This implies that 94% of total variation on the quality of employee work performance is accounted for, by the level of on-the-job training employees’ have undertaken. Therefore, on-the-job training has a propulsive effect on the quality of work performance of Double Diamond Plastic Company, Aba, Abia State, Nigeria.

More so, the result in Table 3 shows that there is a significant relationship ($p=0.000$) between off-the-job training and worker efficiency of Double Diamond Plastic Company. This was also shown by a positive correlation coefficient (r) of (0.84) and a coefficient of determination (r^2) of 0.7056. The implication is that 70% of total variation on worker efficiency is accounted for, by the level of off-the-job training employees’ may have undertaken. This, however, implies that the more and more individual workers are exposed to off-the-job training, it contribute at least 70% changes on worker’s efficiency of Double Diamond Plastic Company, Aba, Abia State, Nigeria.

The result in table 3 shows the descriptive statistics of off-the-job training and worker efficiency of Double Diamond Plastic Company, Aba, Abia Sate. The result of the mean and standard deviation of off-the-job training and worker efficiency were 8.9576, 3.22027, 34.3576, and 6.0123, respectively.

CONCLUSIONS

The imperativeness of investing on human capital development cannot be over-emphasized, especially giving the dynamism of business environment driven by continual upsurge in science and technology. The predisposed desire for enhanced operational skill underscores the organizations’ efforts to buoy employee job performance through human capital development. In the light of the findings, the study concludes that improved organizational performance could be attained, if considerable efforts and resources are effectively deployed to enhance human capital development through on-the-job and off-the-job training. Therefore, investing on human capital development provides sustainable framework that allow for greater operational dexterity and efficiency necessary for improved job performance.

RECOMMENDATIONS

Consequent on the foregoing, the study recommends that organizations should allocate considerable efforts, time, and resources to invest on human capital development for the desired operational skills necessary for improved employee job performance. The investment on human resource development through off-the-job training tends to expose employees' to the acquisition of practical skills, and learning experience deep-rooted on the work.

Organizations should often conduct seminars, conferences, and workshops to keep employees' abreast of the evolving challenges, emanating from the changing business environment. The aforementioned create a sustainable framework, upon which employees' are updated with day-to-day operational skills, and knowledge to be proactive to the complexities of the varying environment for improved job performance.

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