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## Effect of Human Capital Development in Organizational Performance in Manufacturing Industries in South-East Nigeria

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### Abstract

The study was to evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria. The specific objective includes to; ascertain the effect of knowledge on product quality and ascertain the relationship between skills and promoting of innovation. The study was to evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria. The population consists of 6230 staff of selected manufacturing firms from South-East, Nigeria. The study used the survey approach. The primary sources used were the administration of questionnaire to staff and distributors. The sample size of 358 was determined using Ferund and Williams formula. 306 copies of the questionnaire were returned and accurately filled. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.88 which was also good. The hypotheses were analyzed using f-statistics (ANOVA) tool. The findings indicated that Knowledge has positive significant effect on product quality  $F(95, n=358) = 2181, P < 0.05$ ; Skills have positive significant relationship on promoting of innovations  $F(95, n=358) = 381.631, P < 0.05$ ; The study concluded that any organization that does not learn continuously and is not able to continuously list, develop, share, distribute, mobilize, cultivate,

put to practice review and spread knowledge will not be able to compete effectively in the global market. The study recommended that it is important that organizations should training their staff to enable them acquire Knowledge to enhance productivity and the market share of the firms and Provision of new technological equipment and training of workers on the machines should be advised and encouraged for more profitability of the manufacturing companies.

**Keywords:** Human Capital, Development, Organization, Performance.

## Introduction

It is conceivable as a manager to do things right, lay splendid plans, draw clear organization diagrams, set up world-class sequential construction systems and utilize complex accounting controls, yet bomb by employing the wrong individuals or by not spurring subordinates. Then again, numerous managers have been effective even with insufficient plans organizations or control. They were fruitful on the grounds that they have the chance of contracting the perfect individuals for the correct occupations and propelling, acknowledging, assessing and creating them. It was formally trusted that capital is the real hindrance to creating industries before now. In any case, this is never again valid as it is currently the failure of the organizational proficiency and performance. There is no undertaking upheld with smart thoughts, power and eagerness that has been ceased by capital insufficiency; yet there are organizations which development had been impeded in view of failure to contract and keep up exceptionally effective and excited workforce. This bombs under the domain of human capital management Ajisafe, Orifa and Balogun (2015).

Human capital management is an incorporated push to oversee and create human abilities to accomplish altogether abnormal state of performance. Human capital management hones are set of practices that are sees individuals as resources whose present esteem can be estimated and whose future can be upgraded through venture. Gartner (2015) affirms that human capital is an arrangement of practices identified with individuals asset management, particularly in the classifications of workforce securing, management and advancement. Notwithstanding the customary authoritative undertakings, it incorporates workforce arranging and system, recruitment on boarding, employee training, revealing and investigation. Thusly, it is the reason for working in an organization for ideal performance.

Organization is a composed gathering of individuals with a specific reason. Performance is characterized to incorporate the activity or procedure of playing out an errand or capacity found as far as how effectively it is performed. At the point when these definitions are assembled, thus organization performance identifies with how effectively a sorted out gathering of people with a specific reason plays out a capacity. Basically, this is the thing that an organization performance involves the genuine yield or consequences of an organization as estimated results. Organizational performance involves the real yield or aftereffects of an organization as estimated against its planned yields (or objectives and goals). Richard (2009) opine that organization performance envelops three particular territories of firm result which are budgetary performance (benefits, return on resources, degree of profitability, and so forth, item advertise performance (deals, piece of the pie and so on) and investor return (add up to investor return, financial esteem included and so forth). Organizations, independent of their retailed industry, are continually presented to rivalries. To guarantee an aggressive edge, it is fundamental to depend on their human capital as a clever resource. Planning a methodology to upgrade

profitability to enhance piece of the pie of the organization is a basic territory of concern (Marimuhu, Aokiasamy, 2009).

The requirement for manufacturing organizations to build up their human asset ability to survive present day business challenges has additionally turned out to be principal. The expanding number of organizations investigating human asset development for potential outcomes of building up those limits has strengthened the contention that human asset development ought to be viewed as an indispensable errand for present day manufacturing organization partnership towards performance upgrade. The cutting edge business condition has turned out to be unpredictable and the working scene is evolving along these lines, globalization, progression in innovation, headway in innovation (Benjamin, et al, 2012).

Human capital is one of the imperative prevailing structures in the field of scholarly capital. Illustrious and O'Donnell (2017) declare that human plan of action capital is an extremely critical element of significant worth asset creation. It is the measurement of scholarly capital which manages the human information and its experience. The employees offer organizations with experience and mastery, instructive capabilities and word related skills. Employee information and abilities are the huge underlying foundations of advancement Wang and Chang, (2015).

In other to contend in the present aggressive condition organization need to enhance capability of their employees. Human assets development manages the arrangement of learning, development and training prospect keeping in mind the end goal to enhance viability of people, group and organization performance. Human asset development satisfies the requirements of organization by giving breakthrough information to employees (Torraco and Swanson, 2015). Alongside addressing organizational necessities, human asset development is considered in charge of anticipating of the long haul business related learning limit (Watkins, 2012), the principle point of human asset development is to prepare the employees, build up their aptitudes in a way that assistance to accomplish most ideal outcomes. Human asset development clarifies the competency development in individuals and arrangement of conditions (through open approach, software engineers and different mediations) to enable individuals to apply these abilities for their own advantage for their organization (Zahid, Sacreta and Manisha, 2015).

### **Statement of the Problem**

The welcoming connection between the employees and bosses with a view to stay away from circumstance where employees will be disappointed with their occupations which may prompt work stoppage or mechanical clash has been the point of human capital development. Upgrading employee fitness in their occupations, enhancing their insight, aptitudes, capacities and different attributes. Inside the most recent decade, the Nigerian manufacturing industry has seen a few disappointments and troubles. These disappointments and bothers have been followed to absence of satisfactory human capital development. The procedures of recruitment and training of work force in the manufacturing business and in addition in Nigeria all in all comes up short. Cases flourish where inadequate competitors were utilized to the detriment of qualified ones.

Be that as it may, after some time it has been watched that human component essential for organizational development which helps in accomplishing expanding quantum of speculation and national yield inside the manufacturing business has not been given vital consideration by management of these industries prompting disappointments and troubles. Cost of putting resources into individuals and on deals turnover; training on esteem included, Effect of

progression anticipating profit yield; impact of recurrence of employee evaluation on the efficiency of the manufacturing business in South-East, Nigeria remains a test.

Once more, low efficiency, poor corporate administration issues, limit underutilization of management faculty and resources among others are the resultant impacts of lacking human capital development. Absence of information on item quality, poor able aptitudes and development, absence of employee capacities on investment in basic leadership process and group training, absence of learning on compromise.

Because of these difficulties, hence, this examination will locate this critical research lacuna by exploring the impacts of human capital development on the development of manufacturing industry in South-East, Nigeria. This along these lines, given the way that manufacturing employees are relied upon to have more extensive scope of aptitudes that upgrades and animate business exercises, which are basic for employee examination and task checking, even in the region of business exhortation. Basically, contemplates that elucidate our comprehension of the impacts of human capital development on the development of manufacturing industries is inadequate in Nigeria. Hence, this investigation endeavors to fill this imperative learning void.

### **Objectives of the Study**

The general objective of the study is to evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria. The specific objective includes to;

- i. Ascertain the effect of knowledge on product quality
- ii. Ascertain the relationship between skills and promoting of innovation.

### **Research Questions**

The research attempts to provide answers to the following questions;

- i. What is the effect of knowledge on product quality?
- ii. What is the nature of relationship between skills and promoting of innovation

### **Research Hypotheses**

To achieve the objectives of this study, the following will be tested.

- i. Knowledge has positive significant effect on product quality
- ii. Skills have positive significant relationship on promoting of innovations.

### **Literature Review**

#### **Human Capital**

Human capital development is a worldwide wonder which involves guaranteeing ideal performance of individuals by empowering a feeling of proprietorship and responsibility among specialists. Chidi (2012). The earth under which organizations work today is normally portrayed as unpredictable, dubious, dynamic, or complex because of broad changes and changes. In the present very focused work showcase, working with others profitably drives individual and organizational adequacy; employees work in groups framed to handle ventures, virtual groups and customers or in specially appointed mixes. Regardless of the groups' incredible esteem,

numerous organizations still support practices that undermine collaboration or participation. Ulukan (2014),

Instruction that reflects satisfactory pragmatic and mechanical training parts holds the way to Nigeria winding up innovatively applicable and universally aggressive. It is likewise the best methods for engaging the citizenry to animate a supported national development, upgrade work age, enhance the nature of lives, diminish destitution, restrain the frequency of social indecencies due to joblessness and advance a culture of peace, opportunity and serenity. Targets of occupation creation must be accomplished through suitable training which engages results of the instruction framework with aptitudes and capabilities to end up independently employed. Without change in the nature of human capital, no advance is conceivable in an immature nation. The monetary nature of Nigerian populace still stays low since the existing economic situations don't support fast proficient progression of subjects. Mass migration of experts from Nigeria is only an indication of presence of surplus work which is to a significant degree because of deficiency of basic aptitudes. With every one of these issues and insufficiencies, individuals who frantically long for proficient progression would dependably be enticed to join the movement prepare.

Bils and Klenow (2010), TFP development raise the arrival to human capital aggregation and consequently prompt training speculations. Human capital isn't simple wares or resources yet imaginative and social creatures in a profitable endeavor. Tackling and marshaling the tremendous possibilities of this resource is essential to proficient and successful generation and monetary advance. Copious resources alone can't prompt monetary renaissance. It is the capacity to make a work drive (human capital) that has the right stuff, learning, gifts, capacities, capabilities, and so forth to be aggressive in the worldwide economy of the 21st century that can turn the national fortune around. Human capital, organizations and national economies exist in a universe of steady transformative action.

### **Development**

Beckhard's meaning of organization development stalled over two decades prior remain the most well-known and acknowledged one. Beckhard referred to by Michael (2013) characterizes OD as "an exertion (1) arranged (2) organization wide and (3) oversight from the best to (4) increment organization's 'procedure' utilizing social - science information. Idea development gives expansive and now and then not well characterized thoughts an opportunity to be analyzed by gatherings of specialists in an intelligent procedure. These thoughts can originate from various sources: e.g. Service of Defense, industry, servicemen organizations or accomplices. They can be created by staff forms, operational experience, formal explanatory work, or distributed recommendations.

Belting (2013) characterized development as the endeavor to enhance management viability through an arranged and pondered learning process. Development in this way, is a methodical specialty of teaching managers to improve managerial and additionally organizational viability. It focuses more on the training of managers in the different field of management. In this manner, the main qualification amongst reining and development might be sort along the lines of time position of the learners, his level of scholastic information and the kind of employment attempted.

### **Organizational Performance**

Managers are worried about organizational performance - the aggregated final products of all the organization's work procedures and exercises. It's a complex however essential idea, and managers need to comprehend the components that add to high organizational performance. All things considered, they don't need (or plan) to deal with their approach to unremarkable performance. They need their organizations, work units, or work gatherings to accomplish abnormal amounts of performance, regardless of what mission, procedures, or objectives are being sought after (Rangiz, 2011).

### **Training and Development and Employees' Productivity.**

Training has particular objectives of enhancing employee's ability, limit, and performance. It frames the center of apprenticeships and gives the foundation of substance at establishments of innovation (Wikipedia). Moyeen and Afreen (2001) found a positive connection between training projects and employee's activity association. Hughey and Mussnug (1997) found a positive connection between's the employee training and employee and occupation fulfillment. Notwithstanding the essential training required for an exchange, occupation or calling, onlookers of the work advertise perceive the need to keep training past introductory capabilities: to keep up, overhaul and refresh aptitudes for the duration of working life. Individuals inside numerous callings and occupations may allude to this kind of training as expert development (Rahman, 2012). The instructional plan process rotates around four fundamental advances: organizational destinations, needs appraisal, training outline, and training assessment. Garavan et al. (2003) found that training procedure is more occupation situated that can change employee mentalities and practices. The saving money part of Bangladesh is assuming a huge part and playing as a pioneer in the budgetary, mechanical and business exercises. Debnath (2003) shows that profitability of labor in the managing an account part of Bangladesh should be expanded by legitimate training both at work and off the activity. Also, Decenzo and Robins (2003) state "training realizes the adjustments in capacity, mindfulness, approach and conduct". Additionally, Griffin (2003) underpins training for the most part in human resources management point of view alludes to showing operational and specialized employees with reference to how to carry out the activity for which they were procured. Besides, Mathis and Jackson (2004) state 'training as a strategy whereby individuals get abilities to aid the achievement of organizational destinations'. Plus, McGehee and Thayer (1999) bolster training as, "the formal methodology an organization uses to encourage employees' realizing so their resultant conduct adds to fulfillment of the

organization's objectives and targets". All the more particularly, training is an efficient way to deal with aptitudes and information obtaining or attitudinal upgrade that enhances performance (Goldstein, 2001). In this manner, Rothwell, (2002) demonstrates powerful training as efficiently composed learning, in light of a total examination of employment prerequisites and learner similarity. This illumination infers a distinct training process, one exceptionally respected model for portraying the orderly development of training programs is the direction configuration process (Hossain and Islam 2012). This model expresses that there ought to be a sensible stream in training work on moving from intending to usage to assessment. Dowsell (1998) presumed that absence of time, developing age and other commonsense imperatives demotivated the employees amid the training.

Training is the procurement of information, abilities, and capabilities because of the instructing of professional or down to earth aptitudes and learning that identify with particular helpful skills.

### **Human Resourcing Planning**

Nwachukwu (2013) expressed that the capacity of manpower recruitment is designated to the staff office. It is the capacity of the work force office to choose, prepare, create, absorb and compensate employees. The work force manager is relied upon to help define manpower approaches and take a point by point investigation of money related motivation programs. He is in charge of the coordination of performance evaluations, organization of train, and the utilization of pamphlets or the utilization of organization see sheets. He advances work management connection and sees to the organization of work contracts. The staff officer likewise embraces work force research to decide the most ideal methods for selecting, and submitting employees to accomplish organizational destinations.

In Nigeria, the elements of the work force manager are affected by the identity of the jobholder. He is regularly an individual from the official group with staff specialist. He handles all elements of the organization that don't fit into some other division. He has much impact, as he gets included for all intents and purposes in all things. His significance is featured by the way that employees come in through him and leave through him. He presents another employee and reports when he leaves the organization by retirement, rejection, willful withdrawal or passing. One of the real issues standing up to management in any organization is the best method for coordinating individuals with employments. The perpetual inquiry that specialists regularly ask is whether we could plan the individual or get the person to fit into an occupation position? Prior to this inquiry is replied, it is to be watched that one of the elements of management is to decide manpower needs. The procedure by which management endeavors to accommodate its human resources to achieve its assignment is called manpower arranging or business arranging. All ventures must arrangement their manpower needs formally or casually, Nwachukwu, (2013). Manpower Planning is vital in all organizations since it is required for recruitment. Without it, it is hard to know the quantity of work force required for recruitment, to be reassigned due for retirement, or that should be retrained for better use. Manpower arranging decreases unnecessary recruitment and training. It has been watched that the significant changes in populace, mechanical development, size and unpredictability of organizations have made data techniques for work arranging outdated for everything except little and stable organizations.



The circumstance is more urgent in Nigeria, where there is shortage of qualified manpower to fill existing positions. Manpower arranging is constrained to viably and effectively use whatever work force that is accessible. It is for the most part along these lines that individuals update their abilities with a specific end goal to accept more mindful positions. It would likewise help the organization to begin right on time to look for and find proficient hands to supplant those going to resign, to pad the impact of their takeoff from the foundation.

### **Workers Performance and the New Economy in the Industries**

The new economy profoundly affects the American specialist. In the new economy, occupations can be performed all the more economically and effectively using innovation than through human work. By depending on innovation rather than human creatures, organizations can expand their profitability and be more focused in the worldwide commercial center. Be that as it may, this expanded profitability through innovation additionally renders a few abilities and occupations outdated. For instance, it is currently conceivable to assemble cars and other extensive bits of hardware and gear fundamentally using modernized robots.

Accordingly, there is less and less interest for the customary American assembly line laborer. In this way, specialists should have the capacity to adjust to new working environment substances. The individual who used to construct questions straightforwardly with his or her hands will now need to figure out how to run the PC that will manufacture the protest. As fast as employments are made out of date, new occupations will develop. With training, specialists doing these new occupations will end up essential players in the new economy. Propelling innovation likewise has its consequences for employees in non specialized positions, for example, managers and advertising 'faculty. They should learn enough about the mechanical, parts of their field to cleverly talk with employees and clients. All employees, with a specific end goal to be fruitful in the new working environment, should be able to adjust and to learn as required. The individuals who have "figured out how to learn" will turn out to be most significant in the new economy. Along these lines, the part of training and development is ending up increasingly critical in the American work environment. Employees are perceiving the need to enhance and expand their abilities to stay employable, Robbins, (2007).

### **Adequacy of Development \Concept of Effectiveness**

Adequacy is the capacity of delivering a coveted outcome or the capacity to create wanted yield. When something is considered compelling, it implies it has a proposed or expected result, or creates a profound, distinctive impression Drucker (2006). Adequacy is a measure of the match between expressed objectives and their accomplishment. It is constantly conceivable to accomplish 'simple', low-standard objectives. As it were, quality in advanced education can't just be an issue of accomplishments 'yields' however should likewise include judgments about the objectives (some portion of 'inputs'). The closeness of genuine outcomes accomplished to meeting desires.

### **Decent Variety Issues in Training and Development**

The changing economies on the planet today have made numerous organizations to cut back and rebuild themselves into compliment, more decentralized substances. It influenced the cutting edge partnerships to utilize to and work around bunches that must discover answers to novel

and convoluted business issues. Nigeria which is one of the creating countries of the world is teem with human and regular resources. The resources will be counter-gainful on the off chance that it isn't sufficiently overseen. A very much enhanced workforce that is co-ordinated is the envy of any organization. Regardless of the kind of organization, odds are that individuals' activity, inactions or neutralizations could be a risk to its corporate performance, presence and extreme survival. It has been opined that numerous advanced work organizations have individuals of variegated social foundations cooperating as employees which might be a potential wellspring of organizational clash (Ukachukwu and Iheriohamma, 2013). Decent variety could likewise influence employee social results (Afolabi and Omole 2015). Therefore, managers need to comprehend an extensive variety of practices to draw out the best in the particular capabilities of the workforce.

### **Empirical Review**

Afrah (2016) did an examination on the part of human capital development on organizational performance: Case Study Benadir University, Mogadishu, Somalia. The discoveries found that the part of human capital on organizational performance is an essential for advancing the organization's benefit, furthermore, organizations brag for the human capital they have. Over the long haul, HR rehearse assumes a huge part in building the limit of the employees; in this way, this examination gives commitment of the part of human capital development on organizational performance. The examination reasons that the investigation found that there is a positive connection between human capital and Benadir University. The examination prescribes that use of a solitary organization configuration restricts its generalizability to different organizations.

Ojokuku and Sajuyigbe (2015) did an investigation on the impact of human capital development on the performance of little and medium scale ventures in Nigeria. The discoveries demonstrated that human capital development factors have critical impact on SMEs performance. The coefficient of relationship ( $R$ ) = 0.921; the coefficient of assurance ( $R^2$ ) = 0.849; and the standard blunder gauge of 0.31254, demonstrated that 84.9% of the examined SME's performance can be related with the advancement of at work training; level of formal instruction; level of cooperation in classes, gatherings and workshops, and level of investment in exchange fairs and displays, as methodologies of human capital development for the SMEs' employees. The paper in this manner prescribes that SME administrators ought to effectively advance interest in courses, exchange fairs, workshops and displays with a specific end goal to get present learning that will emphatically affect on the performance of the SMEs and improve their ability for development and survival.

Sowunmi; Eleyowo; Salako and Oketokun (2015) completed an exact examination on human resource development as a relate of performance of the managing an account industry in Ogun State, Nigeria. The discoveries additionally demonstrated that training programs have beneficial outcome on the performance of business bank staff. The examination placed that the new age banks spent more on human resource development contrasted with old age banks. The quantity of staff trainings and term of trainings were low and most trainings were in-house. The requirement for management of business banks to empower staff training so as to upgrade their money related performance and in addition the performance of employee is suggested. Old age banks are encouraged to build their yearly spending plan on staff training.

Aniegboka (2011) did an examination on the impact of human capital development on organizational performance in Nigeria manufacturing industries. The discoveries show that there was huge connection between human capital management and organizational performance. Training emphatically influences organizational performance. Impetuses and pay decidedly impact organizational performance. The investigation presumed that hypothetical and mechanical progress in human capital management has enabled manufacturing organizations to move past overseeing faculty by head tally and billet, the dealing with their workforces. The examination prescribes that Firms should direct a workforce appraisal to decide the present human capital limit in view of the checked activity prerequisites.

Steve, Ngozi, Anionwu and Olise (2010) completed an observational audit on the impact of interest in human capital development on organizational performance: Empirical examination of the view of entrepreneurs in Awka city of Nigeria. A key finding of this investigation is that, training and expertise are more grounded indicators of human capital adequacy well beyond information and instruction. This investigation, in no little measure, gives entering knowledge to little scale entrepreneurs in the zone of human resources management.

Oladejo and Yinus (2014) did an exact investigation on the Assessment of the effect of Compensation Plan on specialists Performance of chose Quoted Food and Beverages Manufacturing Companies in Nigeria. The discoveries of the investigation and speculation tried at 5 % level of importance ( $p < 0.000$ ) demonstrated that remuneration design has critical and constructive outcome on laborers performance which will inevitably build the general performance of the Nigerian sustenances and drinks industry. Pay framework was likewise observed to be the foundation of all strategies concerning the procurement and usage of human resources. To this end, it is suggested that nourishment organizations should think of compelling remuneration designs particularly in contributing the different parts of human capital in order to stay focused and keep up long run survival.

Ajisafe, Orifa and Balogun (2015) completed an experimental survey because of human capital management on organizational performance in Ondo town, Nigeria. The discoveries from the investigation demonstrated that human capital management affects organizational performance. It is suggested in addition to other things that training and development projects ought to be organized in the saving money industries and specialists ought to be made to build up their professions by guaranteeing their employer stability and not simply being utilized for the organizational development; but rather later surrendered being pointless and useless.

Jalal, Haim and Noor (2014) analyzed on the immediate and aberrant impacts of item advancement and item quality on mark picture: Empirical Evidence from Automotive Industry. The discoveries likewise uncover that item advancement and item quality have huge association with mark trust. Also, mark trust intercedes the connections between item development and brand picture. It is additionally discovered that brand trust intervenes the connection between item quality and brand picture. In light of these discoveries, a few conclusions were made with a few proposals for future inquires about to reinforce our understandings toward the way toward creating brand picture. The examination presume that item advancement assumes an imperative part in empowering firms to create solid brand picture. The examination prescribe that the group of information ought to give an observational proof in the intervening impact of brand trust between item advancement and brand picture.

Ali and Abedalfattah (2013) completed a survey on the impact of value management rehearses on organizational performance in Jordan: An Empirical Study. The outcomes demonstrating how QM idea can be connected in Jordan's specific situation and giving some observational confirmation from a study that QM show are compelling. At last, the proposed demonstrate can possibly add to the quality and the OP and the organization by giving input to oversee and enhance the OP to better address the issues of the organization. The understudy suggested that organizations ought to receive a quality management methodology center around accomplishing and maintaining an excellent yields utilizing management hones as the information sources and quality performance as the yields.

Ruey, Rudolf and Thomas (2013) completed an investigation on the impacts of provider inclusion and learning insurance on item development in client provider connections: The consequences of a review of 170 multinational vehicle providers in China offer help for the majority of the theories. In particular, provider contribution in co-plan has an upset U-formed association with item advancement. Besides, information insurance, trust and mechanical vulnerability are altogether found to drive more noteworthy item advancement. Furthermore, the institutional condition directs the impact of item development on performance. By and large, this examination upgrades our comprehension of how MNEs can get nearby information and create versatile items in developing markets. The investigation finishes up Global rivalry is progressively characterizing business. Seeing how to obtain nearby learning and create versatile items in developing markets speaks to a basic test for MNEs.

Faisal; Zillur and Qureshi (2013) inspected an exact examination of connection between add up to quality management practices and quality performance in Indian administration organizations International. Discoveries – The discoveries uncovered that TQM hones were observed to be incompletely corresponded with quality performance of the Indian administration organizations. It was additionally discovered that quality culture was seen as the predominant TQM hone in quality performance. Alternate practices, for example, quality frameworks, training and instruction, collaboration, and benchmarking demonstrated a positive association with quality performance.

Ludivine, M. also, Uyen, T. N.T. (2015) inspected onthe connection amongst advancement and profitability in view of R&D and ICT Use An Empirical Analysis of Firms in Luxembourg. Results feature the intricacy of overseeing ICT and R&D ventures concerning enhancing firm development. While affirming the recognized "advancement empowering influence" part of these development inputs, not all increments in ICT ventures and R&D convert into comparable increases firm's ability to advance. Estimation comes about likewise affirm the positive connection amongst development and work efficiency.

Amir and Amen (2013) completed an examination on the impact of training on employee performance. Employee is a circulatory system of any business. The discoveries close by gives brief review of the writing about training adequacy and how it contributes in upgrading the employee performance and at last finishes up alongside suggestion to give headings for future research by applying distinctive level of examination on investigating the effect of training rehearses on employee performance.

Abdul and Aamer (2011) studied employee development and its effect on employee performance a conceptual framework, Islamabad, Pakistan. The findings concludes that employee is a valuable resource (asset) of the organization. The success or failure of the organization depends on

employee performance. Therefore, organizations are investing huge amount of money on employee development. It was recommended that responsive employee will learn different skills which will increase the employee performance. Employee performance will affect the organizational productivity.

Halidu, (2015); Darwish (2014) carried out an empirical review on the impact of training and development on workers' productivity in some selected Nigerian universities. The findings revealed that training and development programmes improve employees' skills and performance at work place, enhance their technical knowhow/ wherewithal to withstand the challenges of contemporary times, thus, an effective tool for sustaining and enhancing workers productivity in the academia. The study recommends that Tertiary Education Trust Fund should improve on its training policy in its entire ramification because in recent times academics are being faced with new innovations and techno- scientific developments so as to meet up with the changing trends and circumstances.

### Methodology

The study was to evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria. The population consists of 6230 staff of selected manufacturing firms from South-East, Nigeria. The study used the survey approach. The primary sources used were the administration of questionnaire to staff and distributors. The sample size of 358 was determined using Ferund and Williams formula. 306 copies of the questionnaire were returned and accurately filled. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.88 which was also good. The hypotheses were analyzed using f-statistics (ANOVA) tool.

### Data Presentation and Analysis

**Table 4.1 Response that knowledge has effect on the Product quality.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	63	20.6	20.6	20.6
Agree	153	50.0	50.0	70.6
Neutral	59	19.3	19.3	89.9
Valid Disagree	25	8.2	8.2	98.0
Strongly disagree	6	2.0	2.0	100.0
Total	306	100.0	100.0	

From table 4.1, 63 respondents representing 20.6 percent strongly agree that knowledge has effect on the Product quality in manufacturing companies in South-East,Nigeria. 153 respondents representing 50 percent agree, 59 respondents representing 19.3 percent were neutral, 25 respondents representing 8.2 percent disagree while 6 respondents representing 2.0 percent strongly disagree.

**Table 4.2 Response that there is relationship between skills and promoting of innovations**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	84	27.5	27.5	27.5
	Agree	104	34.0	34.0	61.4
	Neutral	27	8.8	8.8	70.3
	Disagree	45	14.7	14.7	85.0
	Strongly disagree	46	15.0	15.0	100.0
	Total	306	100.0	100.0	

From table 4.2, 84 respondents representing 27.5 percent strongly agree that there is relationship between skills and promoting of innovations in manufacturing companies in South-East, Nigeria. 1104 respondents representing 34.0 percent agree, 27 respondents representing 8.8 percent were neutral, 45 respondents representing 14.7 percent disagree while 46 respondents representing 15 percent strongly disagree.

**Test of Hypotheses**

**Hypothesis One: Knowledge has positive significant effect on product quality**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987 <sup>a</sup>	.973	.973	.11249

a. Predictors: (Constant), EQH, LEE, MYO, MET, MAT.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	138.038	5	27.608	2181.915	.000 <sup>b</sup>
	Residual	3.796	300	.013		
	Total	141.834	305			

a. Dependent Variable: TEKP

b. Predictors: (Constant), EQH, LEE, MYO, MET, MAT

Where;

TEKP = The effect of knowledge on the product quality

EQH = Educational qualifications has increased the value resource creation

LEE = Learning experiences enhances product quality in the organisation.

MYO = My organisation encourages training to improve effectiveness of the worker

MET = My organisation enhances teamwork which improves performance

MAT = Managers are allowed to go on training frequently which enhance organisational effectiveness.

**Statistical criteria {first order test}**

**Coefficient of multiple determinants {r<sup>2</sup>}**

The R<sup>2</sup> {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .973 and adjusted to .973. This means that R<sup>2</sup> accounts for 97.3 percent approximately 997 percent. This indicates that the independent variables accounts for about 97 percent of the variation in the dependent variable. Which shows goodness of fit? From the result, f-calculated {2181.915} is greater that the f-tabulated {2.7858}, that is, f-cal > f-tab. Hence, we reject the null hypothesis {H0} and accept Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude from the analysis that Knowledge has positive significant effect on product quality.

**Hypothesis Two: Skills have positive significant relationship on promoting of innovations**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930 <sup>a</sup>	.864	.862	.19758

a. Predictors: (Constant), QCM,TCO, TWR,TIS,TPN

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.492	5	14.898	381.631	.000 <sup>b</sup>
	Residual	11.712	300	.039		
	Total	86.203	305			

a. Dependent Variable: TRBS

b. Predictors: (Constant), OCM,TCO, TWR,TIS,TPN

Where:

TRBS = The relationship between skills and promotion of innovations

OCM = Occupational competencies in my organizational enhances long term success

TCO = The capability of the employees in my organisation brings in new ideas

TWR = The wide range of skills in my organisation facilitates business activities

TIS = There is effective project monitoring and better control of business activities,

TPN = There is provision of new equipment and empowering of competencies on the employees in my organization.

**Statistical criteria {first order test}**

**Coefficient of multiple determinants {r<sup>2</sup>}**

The R<sup>2</sup> {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .864 and adjusted to .86.4. This means that R<sup>2</sup> accounts for 86.4 percent approximately 86 percent. This indicates that the independent variables accounts for about 86 percent of the variation in the dependent variable. Which shows goodness of fit? From the result,

f-calculated {381.631} is greater than the f-tabulated {2.7858}, that is,  $f_{cal} > f_{tab}$ . Hence, we reject the null hypothesis  $\{H_0\}$  and accept Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude from the analysis that Skills have positive significant relationship on promoting of innovations.

### Discussion of Findings

From the result of hypotheses one, the  $R^2$  accounts for 97.3 percent approximately 97 percent and f-calculated {2181.915} is greater than the f-tabulated {2.7858}, that is,  $f_{cal} > f_{tab}$ . This implies that Knowledge has positive significant effect on product quality. Knowledge has specific goals of improving employee's capability, capacity, and performance. It forms the core of apprenticeships and provides the backbone of any quality product. Belting (2013) Knowledge enhances management effectiveness through a planned and deliberated learning process. Through training and learning managers acquire strategies as well as organizational effectiveness. It centers more on the education of managers in the various field of management. From the result of hypotheses one, the  $R^2$  accounts for 86.4 percent approximately 86 percent and f-calculated {381.631} is greater than the f-tabulated {2.7858}, that is,  $f_{cal} > f_{tab}$ . This implies that Skills have positive significant relationship on promoting of innovations. In support of the above result, Halidu, (2015) and Ludivine, and Uyen, (2015) in the literature review, carried out an empirical review on the impact of training and development on workers' productivity in some selected Nigerian universities. It was observed that training and development programmes improve employees' skills and performance at work place, enhance their technical knowhow/wherewithal to withstand the challenges of contemporary times, thus, an effective tool for sustaining and enhancing workers productivity in the academia.

### Conclusions

Knowledge has positive significant effect on product quality and Skills have positive significant relationship on promoting of innovations. Therefore, any organization that does not learn continuously and is not able to continuously list, develop, share, distribute, mobilize, cultivate, put to practice review and spread knowledge will not be able to compete effectively in the global market. To this end, organizations need to improve existing skills and acquire new ones via training and development, so as to have a competitive advantage over organizations that do not practice it.

### Recommendations

The study recommended that to it is important that organizations should training their staff to enable them acquire Knowledge to enhance productivity and the market share of the firms. Provision of new technological equipment and training of workers on the machines should be advised and encouraged for more profitability of the manufacturing companies.

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