
Human Capital Development and Staff Performance in WACOT Rice Firm Argungu, Kebbi State Nigeria

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Abstract

In line with global nations need to promote firm's productivity and efficiency, this study examines the influence of human capital development on staff performance in Wacot rice firm Argungu, Kebbi State Nigeria using ordinary least squares (OLS) method. The study used 291 employees as sample size determined using the Dillman (2011) sampling technique. The findings of the study reveals that staff training accelerate the capacity of staff performance. The estimated outcome of the study also shows that factors such as level of education, age, experience positively influence staff performance. Hence, the research is significant to policy makers and stakeholders on the policies aimed at promoting efficiency in staff performance. This could be done through given modern training, skills to organizational staffs, enlightenment programs, campaigns and seminars in order to inculcate manner of adopting new technological innovation.

Key words: Human capital, staff performance, socio-economic nature, OLS, Kebbi state, Nigeria

1. INTRODUCTION

Globally, the issue of human capital development has been receiving attention (World Bank, 2019). It is argued that several countries such as China, Japan, India and Korea have engaged in promoting human

capita development in order to enhanced staff performance (World Bank, 2019) Similarly, over 40% their budgetary allocation is being spent on Research and Development (R&D), Technological Innovation and new idea creation. Moreover, several studies have emphasized on the linkages among training, welfare, employee engagement, and reward and staff performance. Staff training is very essential to staff growth in an organization that yields industrial output for the growth and development of our society (Njoku and Onyegbula, 2017). Some studies argued that staff performance increases annual growth by almost 15% in both developed and emerging economies (Njoku and Onyegbula, 2017). Nigeria is blessed with abundant human capital resources which constitute over 53.8% of the population (CBN, 2020). Furthermore, the growth of human capital performance in the country has contributed to GDP by 42.3 % in the year 2019 (IMF 2019). The proportion of youth engagement in different aspects of economic activities in Nigeria has risen to the tune of 2% between 2018 and 2020 (CBN, 2020). The budgetary allocation in the country has received greater attention towards human resource development especially the budgetary allocation on education. For instance, between 2011 and 2018 the budgetary allocation was increased by ₦63.6 billion (WDI, 2019). Similarly, the country has intensified effort in promoting human capital development through programmes such as training and capacity building workshops to enhance the employee productive capacity. Several trainings and workshops on human resource development were organized across the nation by the Industrial Training Funds (ITF) for the purpose of accelerating labour productivity, general welfare and economic growth (NBS, 2020).

In this regard, Kebbi State was found to be the 2nd largest rice producing state in the country with an annual production of over 2 million tonnes which occupied about 70% of the land put into rice production (NBS, 2020). However, the country's human capital development programmes and performance does not result in increased labour productivity, poverty reduction, youth unemployment reduction, reduction in crime rate, firm growth and general welfare improvement in Kebbi State. The deteriorating nature of labour productivity and its persistence have become a worrisome in the Nigeria and Kebbi state in particular (CBN, 2018). The situation has led to increase in youth unemployment and poverty. It is revealed

that almost 24% rise in unemployment rate within few years in the state which may have direct link with increase in the level of insecurity (NBS, 2020). The issue of poor human capital development such as inadequate training, lack of capacity building programs, employee engagement, and low youth school enrolment might adversely affect labour performance. The rice firm employees in the state produce little which decelerates firm's financial strength. This indicates that the impact of human resource development on labour performance is still not achieved. The level of school dropout and increase scenario of crime activities in Kebbi state such as banditry, cattle rustling and kidnapping have negatively affected the performance and capability of farmers individually and collectively in the state (Musa, Abdullahi, and Baba 2017). Therefore, engaging youth in productive activities and boosting their initiatives, knowledge and skills will enhance their performance and eventually reduce the level of insecurity and promote economic growth. Hence, the study examines the influence of staff training on staff performance in WACOT rice firm, Kebbi State.

2. LITERATURE REVIEW

The link among human capital development and employee performance have studied in the literature. For instance, Anitha (2014) documents that training and employee engagement influence employee performance positively in India. Similarly, Sattar et al. (2015) investigate the effect of human capital development on employee performance in Pakistan. The result shows that training, reward, incentive and employee engagement accelerates employee performance. Ali et al. (2015) studied the influence of human capital progress on employee performance. The outcome indicates strong and positive influence of skills enhance on staff performance. Ampoamah (2016) emphasize that skills, training and career development increase employee performance in Ghana. Afrah (2016) examines the influence human capital enhancement on staff training in Somalia. Sampson and Emerole (2016) investigated the influence of training capacity on staff performance in Abia state using 357 samples states house of assembly. The outcome of the study shows that training capacity increases staff performance. In addition, Ukoha (2017)

investigate the influence of reward and training on staff performance in Nigeria. The study outcome reveals a positive influence of reward and training on staff performance.

Dalimunthe and Muda (2017) argued that education and training promotes employee performance. Diamantidis and Chatzoglou (2018) stressed that training and management support increase employee performance of 27 firms in Greece. Similarly, Philip and Ikechukwu (2018) studied the effect of training on staff performance of oil firms in Nigeria using 150 samples. The study findings show a positive influence of staff training on staff performance.

In addition, Guan and Frenkel (2019) studied the impact of training on employee performance from manufacturing firms in China. The study found training influence employee performance positively. Arubayi, Eromafuru and Egbule (2020) analyse the influence of reward and recognition on employee performance for firms in Nigeria. The outcome reveals that training, career and organizational development promote employee performance. Similarly, Okafor et al. (2019) investigated the influence of skills advancement and training on staff performance in Nigeria. The estimated result illustrates that skills advancement and training accelerates the level of staff performance. In another study, Brenda and Amah (2019) examines the influence of skills development, reward and training on staff performance in Nigeria. The outcome of the study reveals that acquiring more skills, reward and training increase the capacity of staff performance. More so Daniel (2019) investigated the influence of human capital progress on pension trust fund staff performance in Nigeria, using 110 samples. The result shows that human capital advancement increase staff performance.

Fawehinmi and Ilugbemi (2020) analyse the effect of training on staff performance in Nigeria from 2007 to 2009. The study finding reveals that staff training increases staff performance. Furthermore, Lawal et al. (2020) argued that staff training and given out more reward accelerates the capacity of performance. Grace (2020) evaluated the relationship between talent management strategies and employee job performance of Local Government Areas in Rivers State. The outcome of the study illustrates a positive influence among talent management strategies and employee job performance in Local

Government Areas in Rivers State. Performance management, career development and human capital development influence employee job performance in the Local Government Areas in Rivers State.

In another development, Abdul-kareem and Şahinli (2018) investigate the influence of socio economic nature of employee such as age, income and family size on staff performance. The estimated outcome reveals that socio economic factors of employee increase staff performance. Ashrafa, Yasinb, Ashraf et al. (2019) examine the effect of socio economic nature of teachers on staff performance in India. The outcome of the study illustrates that income and age positively influence teacher's performance.

Based on the reviewed literature, several studies have examined the influence of human capital development on employee performance in the literature. However, the effect of non-financial human capital development on employee performance has not been studied, in Kebbi state. Moreover, studies on human capital progress and employee performance are mostly found in developed nation, very few are done in less developed nations particularly Nigeria. Therefore, the present study examines the influence of staff training on employee performance in Wacot rice firm Argungu, Kebbi state, Nigeria.

3. METHODOLOGY

The area of study is Wacot rice firm Argungu, Kebbi state with the total number of 620 employees. This study mainly be based on primary data and the questionnaires were utilized as the instrument of data collection. The questionnaire was adopted and modified from National Survey of SMEs, situation in the Philippines. In this regard, the questionnaire was design in such a way to appear logically ordered and sequential. Hence, the questionnaire consists of three main parts. The first part consisted of the address of the school, the title of the study and brief Statement of purpose of the questionnaire which guaranteed the respondents the confidentiality of their responses. This is done to encourage the respondents to provide relevant and useful responses. The second part of the questionnaire consisted of the questions on the socio-economic characteristics of the respondents. The third part of the questionnaire comprises the questions in relation to the dwelling on the components of human

capital that include training, reward and recognition. Moreover, the questionnaire was written in the simplest possible language for easy understanding of the respondents.

This study applied two-stage cluster sampling technique in selecting the sample size for the study. Therefore in the first stage three departments were selected using simple random sampling technique to form a cluster in the Wacot rice firm Argungu, Kebbi state. In the second stage a total of 100 employees were drawn from each cluster namely: production, management and security which give a total of 300 employees. In the third stage a sample size of 291 employees was determined for the study using Dillman (2011) sampling technique.

3.1 Model of Analysis

In order to examine influence of staff training on staff performance a modified model by Wang et al. (2017) was used and is stated in the following equation:

$$SP_i = \alpha + \beta_1 St_i + \beta_2 Ag_i + \beta_3 Gn_i + \beta_3 Ms_i + \beta_4 Fs_i + \beta_5 Ed_i + \beta_6 Tx_i + \beta_7 Ex_i + \varepsilon_i$$

Where: β , ε indicate the error term, t is the time and represents cross-section. This study employed ordinary least squares (OLS) technique for the model estimation.

Variables	Proxy
Staff performance (Sp)	Output (productivity)
Age (Ag)	Number of age
Gender (Gn)	Dummy 1 for male 0 for female
Marital status (Ms)	Dummy 1 for married 0 not married
Family size (Fs)	Number of family
Staff training (St)	Dummy 1 for acquired training, 2 for no training acquired
Tax (Tx)	Dummy 1 for tax pay 0 not tax pay
Experience (Ep)	Number of years as employee
Education (Ed)	Categorical choice 1 primary schl , 2 secondary schl, 3 diploma, 4 NCE, 5 degree

Source: Source: Authors computation (2021)

4. RESULT

Table 4.1 shows the estimated outcome of the staff training and performance. The outcome illustrates that staff training has positive

influence on staff performance in Wacot rice firm. This signifies that additional training to a Wacot rice firm worker increased rice production by 3.1 bags. The implication of this outcome is that staff training is associated with 3.1 bags upsurge in rice production. Hence, policymakers should initiate policies aimed at providing enabling condition for the firms to adopt new forms of training of staffs towards better performance. This result is accordance with the outcome of the earlier studies (Guan and Frenkel 2019). Similarly, an additional age, level of education and experience of the firm worker enhance rice production by 0.1, 1.5 and 0.33, respectively. Nonetheless, an increase in size of family of the firm worker, a state of being married as well as tax reduces rice production by 0.03, 0.04 and 1.9 respectively. However, gender has no impact on staff performance in Wacot rice firm.

Table 4.1: Result of Estimated Model of Staff Training and Performance

Variables	Co-efficient	SD error	T-value	Prob.
ST	3.170**	0.551	0.629	0.008
AG	0.182**	0.086	2.743	0.057
GN	2.421	0.473	-5.784	0.491
FS	-0.032**	0.826	1.436	0.040
TX	-1.961*	0.113	1.902	0.012
ED	1.582**	0.094	2.083	0.000
EP	0.338**	0.183	0.158	0.041
MS	-0.044	0.748	1.509	0.119
Constant	1.632**	0.652	2.784	0.004

R²Adjusted = 68.0

Notes: *, **, *** denote significance at 1, 5 and 10 percent level.

Source: Eviews estimation

Table 4.2 shows the model validation tests. The outcome indicates no normality and autocorrelation problems. Hence, the model is valid for policy recommendation.

Table 4. 1: Model Validation Test

Test	F-statistics	Prob.
Serial correlation	0.784	0.241
Breusch-Pagan	0.612	0.832

Source: Eviews estimation

5. CONCLUSION

This study empirically examines the influence of human capital development on staff performance in Wacot rice firm, Kebbi State Nigeria using ordinary least squares (OLS) method. 291 employees were used as sample size and determined by the Dillman (2007) sampling technique. The findings of the study reveals staff training accelerate the capacity of staff performance. The estimated outcome of the also shows that factors such as level of education, age, experience positively influence staff performance. Hence, the research is significant to policy makers and stakeholders on the policies aimed at promoting efficiency in staff performance. This could be done through modern training, enlightenment programs, campaigns and seminars in order to inculcate manner of adopting new technological innovation in the nation. This will increase the level staff performance and efficiency. This study is not free from limitations despite of the efforts made at obtaining reasonable findings. One of the limitation to this study is difficulty in assimilating information to acquire the data, hence considering measuring some factors that influence the staff performance remain abortive.

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