

HUMAN CAPITAL DEVELOPMENT: THE MIDAS TOUCH OF ORGANIZATIONAL PROFITABILITY**James Nwoye Obi (Ph.D.)****Department of Business Administration, College of Arts, Social and Management Sciences, Caleb University, Imota, Lagos, Lagos State, Nigeria**E-mail: jamesobinwoye@gmail.com, james.obi@calebuniversity.edu.ng**ABSTRACT**

In recent times, human capital development has been the focus of discussions in corporate organizations around the world. This is due to the fact that the growth of tangible capital stock of a nation is sustained by the quality and population of human capital. Organizations in the current digital dispensation are increasingly paying attention to development of human capital which is essentially the process of increasing knowledge, skills and capabilities of people in an organization to enable such entity to achieve its set goals and objectives. Empirical research method and descriptive research design were adopted in this article. Questionnaire instrument was used to gather primary data from PZ Cussons Plc., Lagos and Nigerian Breweries Plc., Lagos respectively to accomplish the research study. A total of 240 copies of questionnaire were administered to respondents in the two organizations and 174 were correctly completed and returned for analysis. The data gathered were analyzed using tables and percentages. The two hypotheses of the study were tested using Statistical Package for Social Sciences (SPSS) and regression analysis. The results obtained revealed that human capital development has significant effect on workforce contribution to the enterprise and enhanced productivity has significant effect on organizational performance. The paper recommended that corporate organizations should invest substantially in the development of their human capital in view of its immense contribution to the achievement of corporate bottom-line.

Key words: *Human Capital, Development, Profitability, Organization, performance*

INTRODUCTION

Human capital has been recognized as the most important element of success in business. Developing human capital requires creating and cultivating enabling environment in which human beings can rapidly learn and apply new ideas, competencies, skills, behaviour and attitudes to their jobs for increased profitability in their organizations and impact economic growth of the nation. Human capital is a term popularized by Gary Becker, an economist from the University of Chicago and Jacob Miner that refers to the stock of knowledge, habits, social and personality attributes including creativity embodied in the ability of a human being to perform economic tasks so as to produce economic value (David, 2017). The employees are the lifeline and the greatest assets of any organization. It is their collective skills, initiatives, experience, knowledge, and ideas that generate significant value for an organization.

Successful companies understand the link between the value of its employees and the company's well-being and align the human capital management strategy to bridge this gap. Human capital is measured in terms of experience, knowledge, competencies, and skills of the employees in contributing to the total productivity of the organization. This implies having the right people with the right skills placed in the right roles for maximum productivity. Human capital development has also become synonymous with some other management terms like human capacity building, human resources development, human capital management, human skilling and mentoring process and manpower development. Banjoko (2016) viewed human capital development as an aspect of general human resources management which serves as the key for the achievement of organizational goals and objectives. Human capital management therefore seeks to align the components of the human capital to fulfill organizational needs. This means that the human capital management program must have clear, measurable and profit-oriented outcomes (Odesa, 2014).

Hypotheses of the study

The hypotheses of the study stated in null form are:

Hypothesis One (H₀): Human capital development has no significant effect on organizational productivity

Hypothesis Two (H₀): Employee productivity has no significant effect on organizational performance.

LITERATURE REVIEW

Conceptual Framework

Human capital can be defined as the knowledge, skills, abilities and capabilities possessed by people in a nation (Carpenter, 2017). Human capital is a stock of accumulated skills and experiences that make workers more productive. Porter (2001) viewed human capital as a key element in improving a firm's assets and employees in order to increase productivity as well as sustain competitive advantage. Obi (2015) is of strong view that human capital constitutes an important asset consisting of the knowledge and skills held by a person that can be used by an organization to advance the course of corporate existence. It is the process that relate to training and education aimed at increasing the level of knowledge, skills and abilities of an employee which motivates the worker and leads to improved productivity that would ultimately produce increased profitability.

The concept of human capital refers to the abilities and skills of human resources of a country while human capital formation refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are critical for economic growth and national development (Odesa, 2014). It includes persons who work now and people who are likely to be gainfully employed in future. Ismaila (2013) was of the view that the essence of human capital development is to ensure that the workforce is continually adapting to the changing situation at work and upgrading workers capabilities to meet future needs as circumstances and conditions alter in the work environment. This implies that, those already at work require training and re-training, re-orientation and adaptation to meet new work challenges. Thus human capital can be developed through education, training, health promotion as well as through investment in social services that influence man's productive capacity (David, 2017).

Carpenter (2017) defined human capital as a form of intangible asset that creates future economic value which includes the competencies of frontline employees and organizational capabilities. Human capital theory encompasses many components but essentially describes the quality of the labourforce. Schultz (2014) in his own notion of human capital described human capital as the result of investment, and so its value is the expenditure that is invested to enhance ability. Tsui and Milkovich (2017) viewed human capital to be a holistic output, which is the total value of personal physical strength, intelligence, knowledge and skills for utilization. The total output is the sum of labour abilities of a particular population. Therefore, going by the above views on human capital, it can be deduced that human capital is the labour ability, skills, strength, knowledge, and expertise of any person which he invests into the productive process resulting in the output of goods and services.

From the perspective of classical economic theory, human capital is considered as labour and as a commodity that can be traded in terms of purchase and sale. Traditionally, human capital is associated with labour. However in modern concept and unlike the traditional meaning, human capital refers to the ability, expertise, knowledge and skills possessed by an individual, especially those acquired through education, training and development that enhance the potential economic value of such an individual. Human capital as conceived by Barbetim (2015) has two major divisions; the firm-specific human capital and the general purpose human capital. The firm-specific human capital is accumulated through education and training tailored towards a particular task which will probably give the firm outstanding performance and in turn bring about competitive advantage and increased profitability. On the other hand, the general purpose human capital is the basic knowledge and skill that is useful to a variety of firms, not specific to a particular company's tasks and can be accumulated through education or working experience.

Emphasizing the social and economic importance of human capital development, Kwon (2016) noted that the most valuable of all capitals is the investment in human being through education, training, healthcare and development. Expenditure on human capital such as; payment of tuition for education and skill-acquisition are not just ordinary cost in the course of running an organization, but an investment from which valuable returns are expected. It is an important agent for boosting organizational profitability now and in the future (Satow and Wang, 2014).

Anything that contributes to the improvement of human productive capacity, stimulates resourcefulness, enhances human dignity and over-all quality of human life is an integral part of human capital of a nation. Some authors have viewed human capital development from four orientations namely; the **educational system, healthcare services, social services and governance**. The more a nation has knowledgeable and skillful individuals contributing to economic effort and national development, the higher the value of the

human capital of that nation. The value of the human capital asset of a nation is a function of quality, quantity, good health and enabling work environment existing in that country. There can be no meaningful economic growth in a nation without the availability and effective utilization of human and natural resources (Bowne, 2015).

Attracting and keeping the talented and skilled employees is one of the most difficult challenges organizations face in today's dynamic business world. No strategy will achieve organizational success no matter how well-designed unless you have the right people, with the right skills and behavior, in the right roles, motivated in the right way and supported by capable leaders. Companies can gain competitive advantage through the skills and competencies of its people. So in order to be successful, more value must be given to people (Schultz, 2014). The job does not stop with attracting talented and skilled employees. In order to sustain the competitive advantage of the business, an organization has to work structurally on the development of employee competencies and behavior in order to improve the performance of the organization. Human capital development is important in order to improve the skills and competencies of the workforce and the managers. It is also essential to manage human capital effectively to ensure that the right skills are deployed to the right tasks for maximum productivity which will ultimately translate into increased profitability (David, 2017). In human capital development, some organizations discriminate against development of the skills of our qualified brothers and sisters who are physically challenged in some way. Such organizations fail to realize that it is the content of the brain that counts not the shape and contour of the limbs (Obi, 2015). They also fail to recognize the fact that physically challenged employees have zero turnover ambition. In most cases, may be, due to the psychological facts of disability, when you engage them for a job, they stay put working for you with dedication without the ambition to seek alternative employment. Effective human capital management and utilization of human skills are achieved through breaking down the process into various stages as discussed below:

- 1. Workplace Planning:** In workplace planning the organization needs to draw out a strategic structure that highlights the competencies with details of where and how much of these competencies are required to fill the desired role.
- 2. Talent Acquisition:** The human capital development manager needs to understand the prevailing culture and seek for soft skills other than just technical skills. The human resources manager needs to seek both technical skills and experience and also look for salient skills like ability to manage, motivate, or inspire the workforce in order to make them more productive.
- 3. New Employees on Board:** The human resources manager faces a big challenge when interviewing new candidates for job positions. We all know that there is no technology yet invented that can read the mind's construction on the face. Every candidate will be looking humble, innocent and honest but nobody can be sure. The best approach in the digital age is to focus on getting on board stars and talents who can bring new ideas and new perspectives to the table. Then deploy those stars and talents in the strategic areas that contribute to the bottom-line success of the organization. Now, it is time to let the new hires get the right message from the start in terms of teaching them the company's direction, values, and culture. This will help them, in due course to unlearn any negative habits they would have imbibed before joining the organization.
- 4. Mentoring the new hires:** There has been a paradigm shift in the concept of mentoring. At the beginning of times it was conventional to see the older workers mentoring the younger ones. However, today advancement in technology in the digital age has brought with it the concept of "Reverse Mentoring." This is a situation where the younger employees mentor the older ones (a scenario where digital children are mentoring their analog parents). This state of affairs is clearly seen in the use of computers, the internet and other social media applications. Children know it better. Whatever that happens it is still advisable to place a younger new hire under a mentor who is an older and more experienced employee. It does not matter who turns out to be mentoring the other in the process, the bottom-line is to get the job done to enable the organization achieve its set goals and objectives (Obi, 2015).
- 5. Performance Management:** It is necessary for all employees to have a clear understanding of their roles and responsibilities as well as their performance measure. Also, there should be frequent evaluation and feedback of employees' performance against desired outcomes.
- 6. Succession Planning:** This is why early mentoring is important and advisable. Generally, organizations are faced with the possibilities of losing key personnel through retirement, ill-health, retrenchment and dismissal. In such events, potential candidates should have already been selected and

trained to move into the roles of the departing manager. This is more applicable to senior and middle-level managers.

7. Compensation Plan: In human capital management, compensation is often tied to performance. Compensation such as company shares, bonuses, etc. is usually tied to individual's performance and this should be made clear to the managers concerned from the beginning. For the human capital management to be as effective and productive as possible, there has to be an open environment in which due appreciation, commendation and recognition are given to performing employees. Open environment creates psychological atmosphere where employees feel that their contributions are considered meaningful to the success of the organization and therefore serves as a powerful motivator to workers.

8. Instrument of Human Capital Development: Human resources training and development are vital input in the human capital development process. Through systematic training and development, organizational employees are equipped with appropriate knowledge, skills, and abilities and attitudes relevant to the cost effective performance of organizational tasks. Both training and development are integral part of the total framework for effective human capital management (David, 2017). The purpose of training and development is similar. The difference is that training is for the acquisition of practical work skills for on-hand operation while development focuses on the education and exposure of managers to strategies for problem solving, decision making and effective leadership.

Human Capital Development as the Midas-Touch of Profitability

The relationship between human capital development and corporate profitability can better be discussed by classifying the two variables into dependent and independent variables or into the relationship between a principal and an agent. Human capital is the independent variable while profitability is the dependent variable. The profitability of a quoted company is a function of its human capital and the quality of the human capital is also a function of Training and Development of the organizational workforce which constitutes a cost to the organization.

David (2017) analyzed the positive relationship between human capital development and profitability in that expenditure on human capital development through education, training and development increases productivity twice the size of the wage increase of the trained employee. The logic is that not all productivity gain brought about by training is compensated by increase in individual remuneration thereby making such investment to remain profitable to the enterprise.

Frank and Bernanke (2017) gave an analytical example using ConAgra foods Inc. based in the United States of America. He emphasized the positive impact of a new leadership initiative by studying the overall twelve months turnover of supervisors that were trained which translated to a saving of \$2.3 million in the first year of new leadership initiative. He further explained how training also increased auditing efficiency by about 20% during the reporting period.

Human capital expenditure in quoted manufacturing companies seems to have significant effect on their profitability. These can be analyzed from the short run effect and the long run effect. Bowne (2015) re-stated the short run and long run effect of classifying human capital expenditure. Looking at the short run effect, if an organization is starting operation newly, the cost incurred to procure staff, train them and pay their salaries may not initially translate to profit. In fact, it may end up with the organization incurring loss because there is tendency of using up more cash than they earn. But the long run effect as the organization is growing will produce competitive advantage to the firm which can be through cost leadership or differentiation. Cost leadership is when an organization reduces its cost to ensure that it becomes the lowest-cost producer or when the entire production effort for a particular volume is achieved at lower cost. Differentiation means when a company uses some strategies to make its products and services to be considered by customers as different and preferable to those of its competitors (Porter, 2001). Also, the profit will increase tremendously when the manufacturing company becomes a star in the market. To be a star in the market means to have a greater market share and a high growth market. All these long run achievements do not come by themselves automatically. They come as a result of the investment the organization has wisely made on human capital development.

On the inclusion of expenditure on human capital development in the financial statement of a firm, Porter (2001) opined that from the International Financial Reporting Standard (IFRS), human capital expenditure should be classified into either capital expenditure or revenue expenditure. The classification adopted by an

organization will have effect on the profitability of that organization. Some organizations capitalize the substantial part of their training expenditure because they believe that the benefit of the training will accrue for some years. Other firms may choose to treat training expenditure differently.

Theoretical Framework

The Theory of Economic Growth

One popular theory of human capital development is the theory of economic growth which postulates that human capital and economic growth have a strong relationship due to the fact that it is human effort that propels economic activities that give birth to economic growth. Human capital affects economic growth and can help to develop an economy through the knowledge and skills of people. Economic growth essentially implies an increase in the ability of an economy to produce increased goods and services compared to past periods. Human capital development has its root from the field of macroeconomic theory. This theory recognizes employees in the organization as human capital which allows them to be highly valued. Some authors have divided human capital development into general human capital and firm's specific human capital which, for the first time, provided a comparative insight into the incentives for the accumulation of capabilities. Davenport (1999) supported Becker's theory in that it introduces a model where employees are investors in a business, paying the firm in form of human capital contribution and expecting a return on their investment in the form of wages and salaries. They also relate the rate of return on human capital to investment in education and training which is also a key factor that influences the competitiveness of firms.

Empirical Framework

Manufacturing firms that were regularly carrying out human capital development programmes were found to be more productive and were said to have higher intensity of capital to carry out research and development and were said to have highly qualified workforce (Penny, 2015). A study carried out in France by Schuler & Jackson (2017), discovered that as more training was given, there was better economic performance. Training was clearly connected to the profitability and productivity increase. Schultz (2014) discovered that when investment is being increased in human capital development, this reduces the chance of the firm folding up. The researcher discovered that, for small firms, it was the craft training and manual workers that made the clear difference and that for bigger firms, training of professionals, clerical and secretarial employees made the difference. Evidences have been seen from training in terms of change of attitude and motivation. Tsui (2017) opined that training builds a common firm culture and helps in attracting quality employees. Frank (2017) revealed that training had a hand in reducing employee turnover. Browne (2015) opined that orientation training is a process of familiarizing a new employee to his or her new working environment which includes; policies, social relationships, organizational procedures and goals, health and safety issues etc. which are aspects that affects an employee's attitude to job and the expected performance of the employee. Orientation training however addresses core areas of work satisfaction in an organization like the employee turnover rate, job performance, and job commitment.

Odesa (2014) is of the view that human capital development, especially training on the job directly enhances an employee's productivity and level of performance. When employees are trained, they are imparted with the necessary knowledge and skills on how to carry out their tasks effectively. Through a robust compensation package and training, employees are motivated to carry out their duties with zeal and determination and to accomplish organizational tasks timely (Alhamda, 2014).

METHODOLOGY

Survey research design was adopted in this article. Research instrument used for gathering data for the study was questionnaire which was administered to employees of PZ Cussons Nigeria Plc. and Nigerian Breweries Plc. respectively. A total of 240 copies of structured questionnaires were administered to respondents in the two companies and 174 were returned correctly completed for analysis indicating a response rate of 72.5%. The data gathered were analyzed using tables and percentages. The formulated hypotheses of the study were tested using Statistical Package for Social Sciences (SPSS) version 22 and regression analysis after which the results obtained were interpreted.

Sampling

The study population was made up of employees of two manufacturing firms used to consummate the study. Taro Yamane's (1967) formula was used to obtain 174 as sample size from the total population of 240. Because the study is a quantitative research, copies of structured questionnaire were administered to 174 respondents making up the sample size.

Validity of the instrument

The content validity was used for this study. Content validity tries to establish whether or not the instrument contains all the necessary elements that enable the researcher to measure correctly the attributes of interest. To certify content validity, the questionnaire items were generated from established prominent authors in the field such as; Devenport (1999), Carpenter (2017), Frank & Bernanke (217) and Odesa (2014). Other experts in this research area were given access to the draft questionnaire in order to provide feedback on the adequacy of each question in measuring the constructs. Their comments were noted and reflected in the final draft of the research instrument.

Reliability of the Instrument

The reliability test used for this research is the internal consistency method. The Cronbach alpha (α) is the most popularly used measure of internal consistency (Pallant 2005). The Cronbach Alpha internal consistency of the items of the questionnaire was analyzed using the reliability procedure in SPSS version 22. The Cronbach alpha value (α) for the research instrument was 0.892, which surpassed the benchmark of 0.7 for acceptability.

Table 1 Analysis of response rate on the administered questionnaires

Questionnaire	Respondents	Percentage of Respondents
Number of Questionnaires Administered	240	100%
Number of Questionnaires Returned	174	72.5%
Number of Questionnaires not Returned	66	27.5%
Total	240	

Source: Researcher's Field Survey (2018)

Analysis of Demographic Data of Respondents (Bio-data of Respondents)**Table 2: Gender Distribution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	74	42.5	42.5	42.5
Female	100	57.5	57.5	100.0
Total	174	100.0	100.0	

Source: Researcher's Field Survey (2018)

Table 3: Age Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 14-17	38	21.8	21.8	21.8
18-21	126	72.4	72.4	94.3
22-25	10	5.7	5.7	100.0
Total	174	100.0	100.0	

Source: Researcher's Field Survey (2018)

Table 4: Distribution based on Educational Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid WASC	165	94.8	94.8	94.8
Others	9	5.2	5.2	100.0
Total	174	100.0	100.0	

Source: Researcher's Field Survey (2018)

Sample Research Questions:**Table 5: Have you attended any Training Programme since you joined the company?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	95	54.6	54.6	54.6
No	79	45.4	45.4	100.0
Total	174	100.0	100.0	

Table 6: How long have you been working in the company?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 year	100	57.5	86.2	86.2
1-5 yrs	12	6.9	10.3	96.6
6-10 yrs	4	2.3	3.4	100.0
Total	116	66.7	100.0	
Missing system	58	33.3		
Total	174	100.0		

Table 7: PZ Cussons provide after sales services to customers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	29	16.7	17.2	17.2
Agree	72	41.4	42.6	59.8
Undecided	35	20.1	20.7	80.5
Disagree	29	16.7	17.2	97.6
Strongly Disagree	4	2.3	2.4	200.0
Total	169	97.1	100.0	
Missing system	5	2.9		
Total	174	100.0		

Table : Improved Skills of Employees translate to Increased Profitability

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	12	6.9	7.3	7.3
Agree	73	42.0	44.5	51.8
Undecided	63	36.2	38.4	90.2
Disagree	16	9.2	9.8	0
Strongly Disagree	0	0	0	200.0
Total	164	94.7	100.0	
Missing system	10	5.7		
Total	174	100.0		

Testing of the Hypotheses**Hypothesis one**

Ho: Human Capital Development has no significant effect on organizational Productivity

Hi: Human Capital Development has significant effect on organizational Productivity

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580 ^a	.337	.333	.75613

a. Predictor: (Constant) human capital development

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	47.067	1	47.067	82.322	.000 ^b

1	Residual	92.622	162	.572	
	Total	139.688	163		

- a. Dependent variable: organizational productivity
b. Independent variable: (Constant), human capital development

The **model summary** gives information concerning the over-all goodness fit of the model being tested, with $R=.580$ which shows that 58.0% of the variation in the dependent variable is explained by the independent variable. The F-test statistics provides the test of the over-all significance of the regression model. A test of the over-all significance of the model shows an F value of 82.322 with a 0.00 significant level. This implies that the model is statistically significant ($\text{sig}=0.00$) at 5% level of significance.

Decision Rule: The null hypothesis is rejected because the significant value is less than 0.05. The implication is that human capital development has significant effect on organizational productivity.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (constant)	.453	.243		1.866	.064
Human capital dev.	.822	.091	.580	9.073	.000

- a. Dependent variable: organizational productivity

RESULTS

From the coefficients table above, the beta coefficient of 0.580 implies that 58.0% of the dependent variable is explained by independent variable (human capital development). The results show a unique contribution of human capital development to reporting for organizational productivity. Therefore, the utilization of human capital development affects the productivity of an organization. The result shows that significant value is 0.00 and this is less than 0.05. This shows that human capital development is making a significant unique contribution to the prediction of the level of reporting for organizational productivity.

Hypothesis two

Ho: Employee productivity has no significant effect on organizational performance

Hi: Employee productivity has significant effect on organizational performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.570 ^a	.337	.333	.75613

- a. Predictor: (Constant) Employee productivity

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	47.067	1	47.067	80.222	.000 ^b
1 Residual	90.522	162	.572		
Total	139.688	163			

- a. Dependent variable: organizational performance
b. Independent variable: (Constant) Employee productivity

The **model summary** gives information concerning the over-all goodness fit of the model being tested, with $R=.570$ which shows that 57.0% of the variation in the dependent variable is explained by the independent variable. The F-test statistics provides the test of the over-all significance of the regression model. A test of

the over-all significance of the model shows an F value of 80.222 with a 0.00 significant level. This implies that the model is statistically significant (sig=0.00) at 5% level of significance.

Decision Rule: The null hypothesis is rejected because the significant value is less than 0.05. The implication is that employee productivity has significant effect on organizational performance.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (constant)	.453	.243		1.744	.050
Human capital dev.	.822	.091	.470	9.073	.000

a. Dependent variable: organizational performance

RESULTS

From the coefficients table above, the beta coefficient of 0.470 implies that 47.0% of the dependent variable (organizational performance) is explained by independent variable (employee productivity). The results show a unique contribution of employee productivity to reporting for organizational performance. Therefore the utilization of employee productivity affects the performance of an organization. The result shows that significant value is 0.00 and this is less than 0.05. This shows that employee productivity is making a significant unique contribution to the prediction of the level of reporting for organizational performance.

Findings

In **hypothesis one**, the null hypothesis which stated that human capital development has no significant effect on organizational productivity was rejected since the significant value 0.00 is less than 0.05. Thus the conclusion is that human capital development has significant effect on organizational productivity.

In **hypothesis two**, the null hypotheses which states that employee productivity has no significant effect on organizational performance was also rejected. This was because the significant value 0.00 is less than 0.05. Therefore employee productivity has significant effect on organizational performance.

The overall result from the tested hypotheses validates the postulation that human capital development serves as the Midas-touch of organizational profitability.

CONCLUSION AND RECOMMENDATION

This article examined the merit of human capital development and its contribution to organizational profitability. The study of human capital development (human resource capacity building) and the formulation of strategies for organizational success can be organized around development of adequate strength in the workforce in terms of superior skills and capabilities and positioning the workforce on ground properly to achieve the best of results. Human capital development is very important for every organization to grow and achieve its objectives. Every organization is established to achieve specific objectives. For these objectives to be achieved, the organization must use management team and the rest of the workforce to plan and to take into consideration the varying factors of internal and external environment that exert influence on the organization. Human capital development helps every organization to enhance organizational profitability.

The main aim of human capital development is to achieve organizational goals, through empowering the workforce to perform better. Furthermore, the strategies developed provide bases for managerial decision making. Human capital development aims to ensure that there are competent personnel to give value to the work of the organization and to meet the expectations of customers, shareholders and other stakeholders. The paper therefore recommended that modern corporate organizations should stop looking at investment in human capital development as unreasonable waste of resources in view of its immense capability to generate substantial profits for an organization in the long run.

MANAGERIAL IMPLICATIONS

Top management of corporate organizations should continually provide annual budget for human capital development. This is essential under the current technological changes taken place in the work environment

which necessitate the upgrading of skills and knowledge of the workforce to enable an organization remain competitive.

SUGGESTIONS FOR FURTHER RESEARCH

The results from the tested hypotheses validated the postulation that human capital development has positive effect on organizational profitability. However, the concern is the cost. Unless the increase in profitability is greater than the cost of human capital development effort, the organization has not gained anything. Future researchers should focus on finding out whether an organization can save reasonable costs if it concentrates on using robotics to execute new tasks brought about by changes in technology instead of spending money on training and re-training the existing workforce to fit into new roles.

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