






RE-ENGINEERING NIGERIAN ECONOMY THROUGH HUMAN CAPITAL DEVELOPMENT: A CASE OF MANUFACTURING FIRMS IN SOUTHERN PART OF NIGERIA

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ABSTRACT

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The poor economic situation of Africa especially Nigeria has attracted government efforts to re-engineer the economy through bilateral agreements with developed countries, trade, investment which unfortunately have been met with unproductive outcomes. Consequently, it has become imperative to explore possible means of re-engineering the economy especially in Nigeria through development of human capital. Hence, this study examines re-engineering Nigerian economy through human capital development: a case study of manufacturing companies. The study employed the descriptive survey research design. The population of the study was 828 employees from two manufacturing firms which are Innoson Vehicle Manufacturing Co. Ltd in Anambra state and Ibeto Group of Companies Ltd. in Rivers state, out of which 269 participants were used in the study. Data for the study were collected through the use of questionnaire. Data collected was analyzed using the Pearson Product Moment Correlation. Findings of the study indicated that the nature of relationship between skill development and corporate performance in Manufacturing Firms in Southern part of Nigeria is significantly positive. The study concluded that human capital development is an essential tool which improves the nation's key assets (her citizens), in order to increase and reengineer economic growth and development. It is further recommended that government of Nigeria should inculcate and implement enhanced training and development programmes especially for the youths who have more workforce capacity so as to motivate them in contributing to the nation's economic growth and development in all sectors.

Contribution/Originality: The study contributes in the existing literature by establishing how skill development can enhance or reengineer the Nigerian economy through manufacturing firms.

1. BACKGROUND OF THE STUDY

It is a known fact that Nigeria possesses certain potentials to make her become one of the essential drivers in the global economy owing to its natural and human endowments but these attributes and potentials over times has not been evenly harnessed. There was a significant drift from the focus of the agricultural sector towards the crude oil & gas lately in 1960s which significantly contributed to the growth in economic consumption and increase in the prices of oil and gas. Prior before the manifestation of oil economy, the structure of the economy remained highly import dependent, consumption driven and undiversified. Although presented a more stable economy. Recently, the oil sector is liable for over ninety five per cent of the total country's foreign exchange and exportation earnings

whereas the manufacturing sector holds for less than 1 per cent of total exports. Excessive focus on only this sector has resulted to the situation where most citizens dwell under abject poverty, unemployment and marginal inequality. Generally, the economic performance declined drastically which presupposes resulted to a growth trajectory.

After more than a decade of economic growth, the sharp and continuous decline in crude oil prices since mid-2014, along with a failure to diversify the sources of revenue and foreign exchange in the economy, led to a recession in the second quarter of 2016. The instigations in the oil sector, including sabotage of oil export terminals in the Niger Delta, negatively impacted government revenue and export earnings, including the fiscal capacity to outdo the economy from contracting. The capacity of government spending was equally constrained by defect of fiscal buffers to absorb the shock, including leakages of public resources due to corruption and inefficient spending in the recent past. The current administration acknowledges that the economy is likely to remain on a path of steady and steep decline if nothing is done to alter the trajectory. It is in this context that since inception in May 2015, Government has made different exertions aimed at tackling these downturns and changing the national economic trajectory in a fundamental way. The earliest action was the prioritization of three policy goals: tackling corruption, improving security and re-building the economy. Consequently, the Strategic Implementation Plan (SIP) for the 2016 Budget of Change was developed as a short-term intervention for this purpose. Visible successes and achievements have been recorded. Nevertheless, it is admits that more needs to be done to drive the country towards sustainable quickening development. The Economic Recovery and Growth Plan (ERGP), a Medium Term Plan for 2017 – 2020, builds on the SIP and has been developed for the purpose of restituting economic growth while exploiting the ingenuity and resilience of the Nigerian people the nation's most priceless assets. It is also enunciate with the apprehension that the role of government in the 21st century must develop from that of being an omnibus provider of citizens' needs into a force for abating the bottlenecks that hinder innovation and market-based solutions.

1.1. Introduction

Economic development theorists set to believe that substantive human resources has a major role to play on the development and enhancement of most country's economy. These theorist were of the fact that the major determinant of production is basically determined by its quality and quantity owing to the fact that it is one of the major factors of production. Nevertheless, Roux (1994) posits that improving the quality of workforce fosters better decisions and idea generation which would definitely impact significantly and positively on various innovation, growth and investment opportunities. The advancement and development of a country depends ultimately on the progressiveness of its citizens with higher work commitment into improving their economy. In an explicit modernization process, the human capacity are termed to be active that other natural and capital resources due to the fact that human resources can harness and organize capital, natural and political resources among others.

According to Adenuga (2002) capacity could be seen as the faculty of people, institutions and communities coming together to execute desired output, solve existing challenges as well as set and attain targeted goals in a very sustainable manner. Capacity Development (CD) could therefore be seen as the platform whereby human capacity to perform certain tasks is acquired, advanced, and maintained over a period of time. It also refers to the technical know-how, abilities, skills and expertise of the members of an organization (Adenuga, 2002). Halidu (2016) delineated that human capital development is an ongoing process of improvement which involves enhancing an individual by enlarging ones strategies and abilities to perform a given task which often allows them to partake actively during such developmental process. Additionally, human capacity could also portray human's capabilities, strategies and human resource skills needed to embark on better performance within an organization. Enlightenment, educational improvement and basic health maintenance are essential to the process of human capital development. Enlightenment broadens their scope of reasoning and tackling situations, education on the other hand

improves their standard of living and economic development among others ways which could involve; embracing of democratic process, creating room for good government and laws, advances business sector in providing quality services and good health care systems as well contributes to their economic development. Findings from (Ramey and Ramey, 2004) posits that there is a strong correlation that exists between an individual educational exposure and his or her earning power, productivity level as well as their ability to become more efficient in organisational output.

Amah (2006) asserts that: "Change in the environment has resulted in skills becoming obsolete, so that competent employees don't remain competent forever. Skills, knowledge and abilities deteriorate and can become obsolete if not nurtured (Robbins, 2001). Human capital investment is all about recruiting, supporting and investing in people (labour) engrossed in organizations using a variety of means which includes education, training, coaching, mentoring, internship in order for organizations to perform effectively and efficiently (Obasi, 2007). In means of attaining their goals, the organization consciously employs various techniques to increase and improve the potentials of their workforce. The assertion above affirms the fact while most firms in the western world like telecommunication giant 'Motorola Inc.' human capital development as strategic investment rather than an ordinary budgeted cost and injects that organizations deeply reserves a good percentage of their annual budget for employees training and development. In consensus of this fact the United Nations Development Programme (UNDP) argued that development should focus on investment in human capital which should be seen in the light of how the economy is managed and wealth is distributed for the benefit of people. Thus, it is recommended that at least 26% of the annual government budget should be allocated to education and health sector in order to enhance human capital development. However a glossary look at the indices of HCD for Nigeria does not reflect a substantial expenditure on education and health (Olayemi, 2012).

Nigeria is generally reckoned as one with vast human and natural resources. Yet, it is paradoxical that she is still bedeviled by a plethora of developmental challenges, so much so that 50 years after her political independence, she is still in the development wilderness. However, the UNICEF in its state of the world's children' report for 1999' pointed out that about four million Nigerian children have no access to basic education, and that majority of those that are 'lucky' to enter schools are given sub-standard education (Akhaine, 1999). Today, there is a sum total of 24,893,442 children which are enrolled in Nigeria's public and private schools as at the 2012. Currently, this has increased 25.6 million as at the year 2016, according to the Ministry of Education (2018). Funding has been in response to conditionality's imposed by international financial institutions (IFIs). Statistics show that federal government expenditure on education between 1997 and 2000 has been below 10% of overall expenditure. The national expenditure on education cannot be computed because various states expenditures on education cannot be determined, in relation to the UNESCO recommendation of 26% of national budgets (OtiveIgbuzor, 2006).

The Federal Government reformed agenda is benched on the National Economic Empowerment Development Strategy 2002 (NEEDS) document. It was indicated that adult literacy rate of at least 65% by 2007 would be attained. The NEEDS sees the centrality of human capital development towards achieving economic growth and a vital transformational tool. Therefore, the strategy aims at empowering the citizenry to acquire skills and knowledge that would prepare them for the world of work. Going by the UNESCO latest report 2010, clearly Nigeria is still very far from meeting the global economic development target of 2015. Furthermore, a considerable body of research has concentrated on the role of human capital development in influencing and improving economy growth and development. These setbacks necessitated the study which seeks to determine how Nigeria Economy can be re-engineered by accelerating human capital development.

Previous works has been done on this study 'human capital development' in relation to the public sector. However, to the best of the researcher's knowledge, there is paucity of the studies within the private sector especially in Nigeria. Hence, the present study is possess to fill this gap by providing substantial literatures and

exploring the gains of human capital development in manufacturing firms, as a panacea for re-engineering the economy of Nigeria.

Specifically, the study sought to:

- a) To identify the extent to which skill development affects corporate performance in manufacturing firms in Southern Part of Nigeria.

1.2. Research Question

- To what extent does skill development relates to corporate performance in manufacturing firms in Southern Part of Nigeria.

1.3. Hypothesis

- **H₁:** *A positive relationship exists between skill development and corporate performance in manufacturing firms in Southern Part of Nigeria.*

2. REVIEW OF RELATED LITERATURE

2.1. Conceptual Review

2.1.1. Human Capital Development

The strong growth performance of the economies of developed and developing countries over recent decades has been a much-debated matter. Among the generally agreed causal factors responsible for the impressive performance of the economy of most of the developed countries is an impressive commitment to human capital formation. Human capital development is an integral part of capacity building development, which encompasses both human and institutional capacity building. Human capital development refers to the process by which a nation develops and increases its human resource capabilities through the inculcation of the relevant general and technical knowledge, skills and effectiveness to realize set goals efficiently (Consolata and Stephen, 1998). Chowdhury *et al.* (2018) posited that human capital is a tool for competitive advantage as it involves the process of training, knowledge and skill acquisition, initiatives geared towards betterment and improvement. Furthermore, it is supposed to be a process of incremental acquisition of capacities. The government and private sector have long recognized the importance of human capacity building. No wonder it formed a prime point in the 1988 civil service reforms that were abrogated in 1995. The task of human capital development is considered key to Nigerian industrial productivity. To achieve human capacity building, however, training is central. Local and international educational institutions, such as universities, polytechnics and management development institutions provide such training.

Human capacity development during the colonial era was tailored towards general administration and maintenance of law and order. Today, its scope has been broadened to capture the challenges in economic, social and political spheres of the country. As such, greater emphasis is placed on formal education and skills acquisition to achieve rapid development. To this extent, the identified capacity deficiency in the system is gradually being bridged. For instance, the country has witnessed unprecedented growth in the number of tertiary institutions since her political independence. If we discountenance the qualities of education provided by these institutions, Nigeria can make bold to say that her level of dependence on foreign institutions for the capacity building of its workforce has seriously declined. Indeed, the manpower problem of Nigeria today has taken a new dimension from capacity gap to management in the area of good governance.

2.1.2. Human Capital Development in Nigeria

In Nigeria, the human development indicators have performed poorly over the years. The 2016 UN Human Development Report ranked Nigeria 153rd out of 193 countries. In 2010, Nigeria was 142nd out of 169 countries.

Government introduced the Universal Basic Education programme as well as increased the share of education in budgetary spending from 4 per cent in 2010 to 8.44 per cent in 2016, among other measures taken at the level of States and the Local Government Councils. The literacy rate for the 15-24 age group was 85.5 per cent in 2010, up from 64.1 per cent in 2000, but education quality has remained generally low across the country. The government has also sought to improve the health care system; health spending in the federal budget increased from 4 per cent in 2010 to 6 per cent in 2011 and later went down to 4.23 per cent in 2016, and several policy initiatives were adopted to strengthen the health system, including a National Strategic Health Development (HSHD) plan, intensification of the immunization programmes, and scaling up coverage of the National Health Insurance Scheme. Despite these efforts, health outcomes remain poor. According to the United Nations' 2010 MDG Report, the infant mortality rate was 75 deaths per 1000 live births, the under-five mortality rate was 157 per 1000, the maternal mortality rate was 545 deaths per 100,000 live births and the proportion of births attended by skilled personnel was 39 per cent., and the national prevalence of HIV is estimated at 3.6 per cent (International Monetary Fund, 2012). In 2012, 67.1 per cent of the population lived on less than USD 1 per day, up from 61 per cent in 2010. The Gini coefficient, an indicator for measuring income inequality increased from 0.43 in 2004 to 0.49 in 2013. Mechanisms to help the poor were not properly targeted, and pro-poor spending lacked transparency and accountability. Gender disparity remains a major issue, with the female population accounting for more than 56 per cent of Nigerians who cannot read. Female school enrolment was also relatively lower than that of male.

2.1.3. Skills Development

Skill development can be seen as the proficiency that is acquired or developed through training or experience. Skill development involves the improvement of one's capacity to apply knowledge in a practical, demonstrable way (Cole, 2002). An individual's skill is a product of his store of knowledge and his personal attributes. Change in the environment has resulted in skills becoming obsolete, so that competent employees do not forever remain competent if they do not improve themselves through training (Amah, 2006). Training is organizational effort aimed at fostering learning among lower level employees that contributes to individual and organizational goals and includes classroom instruction, on-the-job training and apprenticeship scheme. Development process includes all trainings and teachings required to broaden an individual's skills needed for the proper execution of their job requirements. Skill development further delineates an improvement and advancing process necessary to equip an employee with the right skills and competence through a continued off-the-job and on-the-job development training. These job trainings are most times geared towards enhancing employee's technical know-how, innovativeness and skills and also to guarantee employee's utmost commitment and contribution to the attainment of organizational goals. It is recommendable to note that skill acquisition, education as well as any training activity would often require various degree of learning activities which sometimes could be rigorous, (Amah, 2006).

2.1.4. Re-Engineering of the Economy

Every country devises fundamental elements and strategies to successfully achieving its corporate and economic goals and objectives. They are the key mechanisms by which a country delivers value to its citizens. Regularly assessing economic trends and plans against other advanced ones keeps such country abreast, current and minimizes errors that might lead to economic deflation and disaster. Hopefully, there is need for government political heads to often determine whether a re-engineering process is needed for improving its economy especially when trying to achieve industrial revolution.

Overtime, there have been a significant drift in various local and international markets worldwide in different developing countries especially those who have open their business scope towards international investments, (Havrylyshyn, 2004). The World Bank (2004) have strategized in encouraging re-engineering process in developing countries. Some of these developing countries who have opened-up their trading regimes are basically prevented

from reaping some of its benefits owing to the market barriers imposed by most developed countries especially on the agricultural sector, textile and clothing manufacturing sector as well as others. As regards, World Bank has increased developed country's access to certain markets which is essentially significant for the enhancement of developing and poor countries.

Most countries had undergone huge loss especially as it regards job creation and growth within their service sector. A renowned sociologist, [Sassen \(2000\)](#) affirms that the broadening of the social hierarchy happens when high-income professional job expands within the service sector in a simultaneous incidence increase in low skilled jobs which is usually occupied by the low-class individuals (minorities or immigrants). Notably, productive merits in the manufacturing sector typically not only result to the betterment of the workers standard of living but also propitiate a shift of resources from the manufacturing into services. This brings about employment and output demonstrates that restructuring involves reallocation of economic resource overtime.

2.1.5. Re-engineering and Privatization Schemes in Nigerian Economy

Privatizing most public companies within a country have significantly transformed the quest to reduce economic wastage and encourage public efficiency, increased quality in service and manufacturing industry as well as encourage, motivate and incentivize the private sector-led economy. A review by [Tanzi and Schuknecht \(2000\)](#) brought to limelight the fact that the privatization of the public sector as well as the increasing of private sector participation in government planned investment and public services seems widely accepted. Strategically, the utmost reason for utmost drive for increased financing and investments managing as well as innovative technology which is aimed at creating more jobs and labour income is by encouraging private sector-led growth and development.

Recent literatures on the issues related to privatization in the economy reveals that such could slow down the operating efficiencies in certain sectors as such resulting to poor management as well as overstaffing with less coordination especially among public enterprises ([Tanzi and Schuknecht, 2000](#)). Various researches in Nigeria has shown that the rate of poor performance in some sectors could be well tackled by government continuance in securing the policy of privatization as a way of achieving economic growth and development ([Abdullahi, 2004](#); [Ojo, 2004](#); [Jimoh, 2007](#); [Onah, 2008](#)). The government of Nigeria has been poised with certain questions triggered by individuals as regards since the embrace and initiation of privatization policy in the country, what has been achieved so far in terms of reducing wastage and embezzlement of public funds and resources. Notably, privatization is one of the most significant especially when it amounts to its potentials for addressing economic stability, competitiveness and regulatory requirements. It also seeks to address privatization implication so that the masses does not end up agitating on the misuse of monopoly power by the private sector. [Butzen and Fuss \(2003\)](#) further address the fact that it is very essential for policy makers in any developing country to comprehend that the mechanisms to determining investment spending is through privatization.

A review by [Otobo \(2002\)](#) explained that the Nigerian government has categorically made open that one of its stringent priorities in their policy agenda is to maintain good economic recovery and growth. On a notable ground, such huge steps reflects around the necessity to pave way for the country to advance from the current path of slow growth and development to a more sustainable and robust growth trail. Privatization is therefore essential to every government's economic reform agenda and crucial to its objectives of fostering economic competitiveness and strengthening a private sector-led economy. The privatization of public companies is based on the premise that the private sector is a reliable avenue to realizing higher growth economy, productivity and allocative efficiency with the country. There is increasing awareness of the strategic role of the private sector as the engine of economic growth and development; government predominance in economic activities is giving way to privatization and commercialization of public enterprise. The private sector is therefore expected to take the lead in promoting the growth of the manufacturing sector in Nigeria ([Ogwuma, 1996](#)). However, the need and benefit of privatization

without a proper accompanying climate of open competition and rule of law may be very small or even zero. Privatization can result in a strong concentration of ownership, and then a class of rent-seeking vested interests develops and captures the state to ensure that policies work in their favour and prevent competition this then slows further institutional and democratic development.

2.1.6. The Performance of Manufacturing Sector in Nigeria Economy

There is an increasing concern on fiscal policy role on the total activities of the manufacturing industry in Nigeria. It is known that the government had initiated as well as implemented various economic policies which aims at enhancing Nigeria's economic growth and stability through capacity utilization from the sector. The strength of any country is her capacity to manufacture quality local products which would reduce their rate of importation as well as strengthen their economy. This is almost not the case in Nigeria as most of our products are basically imported even when it has the right resources, manpower and economic capacity to manufacture such goods.

According to Libanio (2006) through the use of Kaldor's first law, he proposes that the manufacturing sector of any country should be seen as the engine of growth of the economy. Basically, the manufacturing industry which is also the production sector are those companies directly involved in the creation, processing and packaging of products which is either in the form of total non-existent goods to satisfy a given want or the enhancement of an already existing commodity (value addition). Manufacturing sector also refers to those industries which are involved in the manufacturing and processing of items and indulge in either creation of new commodities or in value addition. Obviously, the manufacturing sector in more developed countries accounts significantly to their growth and advancement. With high quality standards, the final products could either be inform of consumable finished goods to consumers or intermediate goods to be utilized in the production process. Manufacturing process is also to an avenue for increasing productivity in relation to export expansion and import replacement, increasing employment opportunities, create better foreign exchange earning capacity as well as per capita income which results to unrepeatable consumption pattern. Undisputedly, the production sector is greatly involved in the process of adding value to the economy through the transformation of raw materials to final products.

This industrial revolution era introduced the existence, need and idea of manufacturing industry coming into being with the occurrence of technological and socio-economic transformations in the Western countries in the 18th-19th centuries. This originally started in Great Britain and slowly replaced the labour intensive textile manufacturing with the mechanization methods and use of fuels. Manufacturing sector are categorized into construction sector, electronics sector, textile sector, chemical sector, metalworking sector, engineering sector, energy sector, food and beverage sector, plastic sector, transport and telecommunication sector amongst others. It therefore become pertinent to say that the key variable in engineering a better economy is through manufacturing drive force which encourages the transformation and enhancement of raw materials to finished consumable products either for use by the citizens or for exportation purposes. Some scholars are of the view that the manufacturing industries are one of the biggest sectors that engineers employment creation which at the long run diversifies the economy on the process of helping the nation to increase its foreign exchange earnings.

From 2003 to 2007, slack of resources allocation caused by false prices and prohibition of importation partly caused by a fall in the value added by the manufacturing sector in Nigeria. From the year 2005 to 2015 which was a ten-year range, the manufacturing industry contribution to GDP grew by 8 per cent with the aid of the World Bank induced structural adjustment programme (SAP). This programme has been seen to have a significantly positive impact on the country's economy. By increasing input costs, the competitiveness within the manufacturing sector increased through the deregulation of foreign exchange markets, Central Bank of Nigeria (CBN) (2016). Within 2005 – 2015, the share of the manufacturing sector has not relatively been stable as it had a steep drop from 5.5 per cent in 2005 to 2.22 per cent in 2015. In the same period, this sector also experienced overall manufacturing capacity rise from 40.3 per cent in 2005 to 58.92 per cent in 2015. The increase in government

expenditure is more likely to be attributed to these significant changes within the manufacturing sector. The changes in industry depicts that the manufacturing firms are becoming more competent, capable, efficient and reliable. They can significantly contribute in the promotion of technology, job creation and employment opportunities, equal distribution of opportunities as well as guarantee the macroeconomic stability of the country. It is also recommendable that the government has employed various fiscal policies aimed at improving and coordinating economic activities to support the country's developmental process.

2.2. Theoretical Framework

2.2.1. Hierarchy of Needs Theory (Abraham Maslow)

This study is anchored on Hierarchy of Need theory by Maslow (1943). Maslow (1943) hierarchy of needs theory states that an employees is persuaded by various needs ranging from self-actualization needs to physiological needs. Subsequently, Abraham Maslow expatiates on the notion of employee's need to originate from human innate curiosity. His theory was in line with other theories which focused on the human developmental psychology whereby some of these theories portrayed the various growth stages in human wants. Maslow (1943) adopted these terms physiological, safety, belonging and love, esteem, self-actualization and self-transcendence to explain the way human persuasion and motivation generally transcends. Maslow described that needs of an individual (employee) are arranged in a hierarchy. Before one can ascend to the other level of need, the first need ought to be sufficiently satisfied and there would be little or no need for such need again. Then the drive to ascend to another level sets in. The five needs he stated include the following: physiological, safety, social, esteem, and self-actualization need. In relation to this research, once an employee has attained all other basic needs such as shelter, safety and the rest of them that individual begin to aspire for growth (self-actualization) they begin to sort for promotions to higher position which requires career training, development and enhancement.

The Maslow hierarchy of need theory provides the rationale for understanding the type of relationship that exists between human capital development and achieving economic goals. It proposed the necessity to motivate the masses to become self-reliant, enhanced and reliable to achieve their personal goals in life hence promoting the economy. Nigeria's economy would only improve and become more accommodating if her citizens are well enhanced in contributing to its economic developmental and growth process. There is stringent need to properly equip her citizens (workforce) with proper skill training and development programmes to ensure the attainment of corporate goals.

2.3. Empirical Review

A study carried out by Raul and Puvanasvaran (2009) on employability skills and its relationship with employers in manufacturing industries. The study sample size was 107 employers which were selected from various firms within the industry. The survey ascertained the importance and vital ways employability skills were valued by some employers within the industry. Based on the rankings and analysis, the study showed that 7 of these skills were mostly valued by manufacturers in the Malaysian manufacturing firms and these included: system and technology skill, sources skill, thinking skill, resources skill, basic skill, and personal qualities skills whereas informational skill was considered moderately important.

Another study from Mayer (2001) examined the relationship between human capital, technology diffusion and economic growth relating vividly on the imports from both developed and developing countries. The study employed developmental analysis to ascertain the rate at which technologies were being transferred to under-develop and developing countries. This study also adopted a framework known as the growth-accounting framework in assessing the degree at which machinery imports (human capital) impacted on the country's growth and development. Based on the analysis, the study revealed that human capital imports by countries which were still developing were on an increase between the 1970s and 1980s. The analysis result by the growth accounting

revealed that these high imports of human machinery had a positive and greater significance on the country's growth differences.

Schutt (2003) examined the role of human capital in the process of economic growth. This study focused on the roles the human factor has played in promoting economic growth using selected manufacturing firms. The study adopted the descriptive statistics in analyzing data collected through the distribution of questionnaires. Based on the analysis, the study revealed that growth and developmental process in any country cannot be initiated without the intensive involvement of the human capital factors. Though this involvement could be directly or indirectly linked. The study concluded that the human capital is liable to have a direct impact on economic growth as well as through other ways could also affect economic growth.

Ashish and Badge (2008) on the other hand examined the relevance of advanced skilled-labour on the growth and development of the software industry in India from 1990 and 2003. The study adopted the regression analysis which revealed that engineering baccalaureate capacity had a significant effect on the growth of software exports. The study also revealed that the major reason for the tremendous effects on skilled capacity owed to the fact that it was basically supported by private colleges rather than the public ones. The study recommended that there is need to foster advanced skill development programmes for software engineers as it would contribute to growth of the industry especially in India.

In 2005, Guisan carried out a study on the state of human capital, population growth and industrial development in Mexico and Turkey in relation to other OECD countries between 1964 and 2004. The study adopted the regression analysis which revealed that there were similarities in both Turkey and Mexico features as both countries had undergone increased rate on population statistics within the 20th century. The study also showed that both countries had high growth of GDP but low level of real GDP per inhabitant. The study concluded and recommended that it would be remarkable for authorities to improve the standard of enlightenment in respect to education so as to create a positive impact on real-valued added per individual.

3. METHODS

This study adopted the descriptive survey research design. The population of this study at the time of this survey was 828 employees from two manufacturing firms in Southern Part of Nigeria. These firms include: Innoson Vehicle Manufacturing. Co. Ltd in Anambra State and Ibeto Group of Companies Ltd. in Rivers State. This study adopted the Taro Yamane formulae in determining the sample size which is the actual representative of the study. The sample size of the study was 269 employees of which 146 were from Innoson Company while 123 were from Ibeto Group of Companies. This study focuses on employees within the age range 18 to 47 years. The mean age of participants was 2.8 while the standard deviation was 1.1348. The simple random sampling technique was adopted to select two manufacturing firms. The structured questionnaire in five-point Likert scale was used to elicit information concerning the variables of the study. The name of the questionnaire is re-engineering Nigerian economy through human capital development (RNEHCD). The instrument used to collect data for the study was subjected to content validity. In this study, data collected were analyzed using the frequency and percentage analysis while the Pearson Product Moment Correlation Coefficient through the Statistical Package for Social Sciences (SPSS ver.23) was used in testing the hypothesis. After the distribution of 269 copies, 250 were successfully filled and collected which formed the basis for the analysis. This showed a return rate of 92%.

4. DATA ANALYSIS

Research Question: To what extent does skill development relates to corporate performance in manufacturing firms?

Table-1. Analysis of responses to research question on skill development and corporate performance in the manufacturing firms.

| Items | N | \bar{X} | Decisions |
|---|-----|------------|-----------|
| Skill Development | | | |
| My firm provides all facilities necessary in achieving my firm's goals. | 250 | 3.5 | Agree |
| I undergo training procedures to ensure increase the knowledge my job. | 250 | 3.0 | Agree |
| My colleagues share ideas on how to carry out certain group tasks. | 250 | 3.4 | Agree |
| Corporate Performance | | | |
| Team work is encouraged in providing quality products to customers. | 250 | 3.6 | Agree |
| Management encourages me to put in my best in promoting organizational goals. | 250 | 3.4 | Agree |
| My firm initiates vital strategy to promote our business operations. | 250 | 3.0 | Agree |
| Grand Mean | | 3.3 | |

Source: Field survey, 2019.

4.1. Test of Hypothesis 1

Ha: There is a positive relationship between skill development and corporate performance in manufacturing firms in Southern Part of Nigeria.

Ho: There is no positive relationship between skill development and corporate performance in manufacturing firms in Southern Part of Nigeria.

Table-2. Observed correlation analysis between skill development and corporate performance in manufacturing firms in Southern part of Nigeria.

Correlations

| Items | | Skill development | Corporate performance |
|-----------------------|---------------------|-------------------|-----------------------|
| Skill development | Pearson Correlation | 1 | .873** |
| | Sig. (2-tailed) | | .000 |
| | N | 15 | 15 |
| Corporate performance | Pearson Correlation | .873** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 15 | 15 |

Note: **. Correlation is significant at the 0.01 level (2-tailed).

4.2. Result Summary

The analysis in Table 2 shows the result of the hypothesis test using the SPSS v.23 which revealed that, there is a significant positive relationship existing between skill development and corporate performance in manufacturing firms in Nigeria. As indicated above, the correlation coefficient of 0.8 supports the fact that enhancing the skills of employees would lead to improved overall performance. The significance of the correlational value shows that the p-value (0.000) is less than the significant level (0.05) at 2-tailed test. This led to the conclusion to reject the null hypothesis (Ho) and accept the alternate (Ha) which states that the relationship between both variables: skill development and corporate performance is significantly positive.

5. CONCLUSION

This study examined human capital development as a veritable element in re-engineering Nigerian economy. In line with the findings, this study delineates that human capital development is an essential element aimed at improving the nation's key assets which are her citizens in order to increase economic growth and development. Furthermore, it's pertinent to conclude that periodical training and implementing skill enhance programme within the country would enable the country attain greater economic plans. This would motivate and engineer more individuals to be proactive and productive with various sectors hence contributing immensely to the nation's domestic productivity. In a nutshell, it is factual that in every organization, the human capital development poses as a core function of Human Resource Management hence in review of Nigeria as a country, it is the onus of the government to always create platforms for skill enhancement and development as it would support the masses in contributing to the nation's growth and development.

6. RECOMMENDATIONS

The following recommendations were made based on the findings from the study:

1. The government of Nigeria should inculcate and implement enhanced training and development programmes especially for the youths who have more workforce capacity so as to motivate them in contributing to the nation's economic growth and development from most sector.
2. Also, the government through the CBN should encourage banks to as often as possible render financial support and assistance to member of the public who would want to build on their skills acquired. This would motivate them to be more dedicated and productive.
3. Furthermore, the government as well as other bodies controlling business policies in Nigeria should enact enabling policies that will be attractive to both its citizens and foreign bodies to do business especially in fields relating to their skills and careers.

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