



Effect of Human Capital Development on the Performance of Small and Medium-Scale Enterprises in the South-East Region of Nigeria

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Accepted: September 25th, 2022

Published: September 30th, 2022

Citations - APA

Okoye, E. O., Xiaoxian Z., & Yongsheng, G. (2022). Effect of Human Capital Development on the Performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria. *Contemporary Journal of Management*, 4(5), 48-61, DOI: <https://doi.org/10.5281/zenodo.7265918>

This study examined the effect of Human Capital Development on the Performance of Small and Medium-Scale Enterprises in the Southeast Region of Nigeria. Specifically, ascertain the effect of employed training and evaluate the effect of skills acquisition on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria. The study used a survey research design. Semi-structured interviews were employed to collect data on the issues of HCD in SMEs to understand the problems that affect their performance. The study adopts primary data. The data were presented in frequency, percentages, and mean tables and analyzed using the t-test statistical tool. The result shows that, the z-test with a z-statistic value of 31.23 and associated probability value of $0.0000 < 0.05$ shows that employed training has a significant positive effect on organizational performance while the z-test with a z-statistic value of 30.27 and associated probability value of $0.0000 < 0.05$ shows that skills acquisition has a significant positive effect on the organizational performance. we conclude that SMEs in Nigeria can attain significant improvement in both their financial and non-financial performance if adequate resources are invested in developing their human capital; especially through training, and skills. We recommended that the direction for HCD and organizational performance should consider measuring some additional constructs apart from training, and skills.



ABSTRACT

Keywords: Capital Development; Human Performance; Small and Medium-Scale Enterprises; South East Region

Introduction

The term human capital refers to the economic value of a worker's experience and skills. Human capital includes assets like education, training, intelligence, skills, health, and other things employers value such as loyalty and punctuality. As such, it is an intangible asset or quality that isn't (and can't be) listed on a company's balance sheet. Human capital is perceived to increase productivity and thus profitability. The more investment a company makes in its employees, the higher the chances of its productivity and success. 'Human development may be defined as an expansion of human capabilities, a widening of choices, 'an enhancement of freedom, and a fulfillment of human rights. In the beginning, the notion of human development incorporates the need for income expansion. However, income growth should consider the expansion of human capabilities. Hence development cannot be equated solely to income expansion.

The constantly changing business environment that necessitates organizations to strive for competitive advantage, improved performance, long-term survival, and sustainability is facing increasing challenges (Mellahi and Sminia, 2009). The reason is that in recent times, the effect of globalization has changed organizational focus to natural resources – which include physical assets such as technology – as the key factor that organizations use to measure strategic advantage (Bakotić, 2016). Accordingly, human resources and intellectual property are now the most significant resources that can be used to measure organizational competitiveness (Debrah, Oseghale, and Adams, 2018). Therefore, any organization with robust knowledge-based human resources is usually considered to have an edge and to be capable of securing better economic futures (Hadad, 2017).

According to recent research, the increase in organizational development strategies through training and education is one of the key elements that organizations can utilize to attain competitive advantage (Nieves and Quintana, 2018). To that effect, Becker and Huselid (1998), and Saridakis, Lai, and Cooper (2017) stated that a well-trained workforce is crucial to upholding sustainable competitive advantage in a global economy. Therefore, there is a need to understand the importance of Human Capital Development in generating healthier organizational performance.

Statement of the Problem

Over the years SMEs in Nigeria have faced the problem of HCD, irrespective of the abundant natural and human resources the country has been endowed with; especially in terms of agriculture (Penda, 2012). The country has failed to realize its full development potential through sustainable HCD and people-oriented development when compared to other developed economies of the world; which have adopted and utilized HCD strategies to improve their economic growth (Abeh, 2017). These countries include the United Kingdom (UK), Denmark, Norway, France, Germany, and Spain, and such developed countries take the issue of HCD and organizational management more seriously than developing countries; particularly Nigeria (Gray, 2006). The aforementioned countries strive to empower their employees in terms of training their workforce to enable them to perform their work effectively. This is unlike Nigeria where the issue of HCD within SMEs is not handled with serious commitment, something which has led a proportion of SME owners/managers to view employee training as an operational expense rather than an investment. In addition, others are unable to identify employee training needs, and others are either not aware – or are yet to be convinced– of the benefits of training (Abeh, 2017).

Objective of the study

The board objective of this study is to examine the effect of Human Capital Development on the Performance of Small and Medium-Scale Enterprises in the Southeast Region of Nigeria. The specific objectives are;

- I. To ascertain the effect of employed training on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria.
- II. To evaluate the effect of skills acquisition on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria.

Hypothesis of the study

- I. Employed training has no significant positive effect on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria.

- II. Skills acquisition has no significant positive effect on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria.

Review of Related Literature

Conceptual Review

Human Capital Development

According to Heathfield (2011), HCD can be defined as a management plan to assist staff to develop themselves and their organizational skills, knowledge, and capability through training, education, and skill development programs. HCD can also be seen as a good opportunity to develop employees through management training to enable them to provide coaching, mentoring, and guidance to other employees (Adeyi, Apansile, Okere, and Okafor, 2018). This HCD process will also enable employees to discharge their duties effectively and support the workforce to keep pace with the changes within, and growth of, an organization (Iqbal and Ahmad, 2010; Kirkpatrick, 2004). Thus, HCD is considered to be the most vital asset of an organization in terms of satisfying its present and future task requirements.

However, only very few organizations can fully harness the potential of HCD because of a historically poor attitude to training (Alfandi, 2016). Research has shown that unemployment levels continue to increase worldwide whereas organizations struggle to get the expertise to help them achieve their specific goals. This statement was supported by the human capital report (World Economic Forum, 2013), which stated, 'despite high unemployment in many countries, the global economy is entering an era of talent scarcity, that if left unaddressed, will hinder economic growth worldwide.' Therefore, there is a need to improve organizational HCD through training, education, and other development programs to overcome the current economic challenges and reap the benefits of investing in HCD. These benefits include increased productivity, reduced employee turnover, increased efficiency, and a reduced need for supervision in the long run (Khan and Khan, 2010).

Ukenna *et al.* (2010) stated that constant changes in the business environment necessitate firms to strive for greater competitive advantages through dynamic business strategies that incorporate creativity and innovation. As a result, Thaker (2008) argued that firms developed anticipation that improvement in workforce quality through adequate and constant training would enhance outputs and earnings. In support of this statement, studies such as that by Harabi (2003) into the effect of human capital on organizational performance have shown that human capital enhancement will result in greater competitiveness and performance. Further, Marimuthu *et al.* (2009) argued that organizations strive for workforce enhancement through comprehensive HCD programs for three basic reasons. These are i) to achieve the business objectives, ii) for long-term business survival and iii) for the growth and sustainability of the organization. Therefore, this study aims to provide a guide on how to achieve these three main targets by emphasizing the need to develop human capital through training, education, and skill development programs to acquire the knowledge necessary for personal and organizational development, as well as building a strong team that collaborates through social capital development to achieve sustainable and effective organizational performance.

Before progressing to the next section, it is essential to clarify some of the organizational concepts or terminologies that are related to and used in this study, namely human resource development (HRD), human resource management (HRM), and HCD. HRD can be referred to as a framework for assisting employees to develop and enhance their personal and organizational skills, knowledge, and aptitudes. While there is no one generally accepted definition of HRD yet, it is accepted as being both strategic and practical in nature (McGoldrick and Stewart, 1996). It also involves human potential that can be drawn from a vast pool of resources. However, the concepts of HRD and HCD are often confused and even used interchangeably with HRM. According to McGoldrick and Stewart (1996), HRD, HCD, and HRM are interrelated concepts that can be described as an integrated process linking together different combinations of organizational variables. Irrespective of the fact that the concepts have their 'own identities', the point remains that they 'depend upon each other for mutual success and maximization of human resource potential in organizations' (Mankin, 2001).

Training and HCD

The word training can be defined as ‘any attempt, within or outside the organization, to increase job-related knowledge and skills of either managers or employees’ (Jayawarna, Macpherson, and Wilson, 2007). Though this definition captures significant factors, several other authors have also come up with definitions of training constructs. The Industrial Training Fund (2006) described the concepts of training development as a serious effort to improve workers’ skills, knowledge, and capabilities to enable them to perform well in both their current and future higher-level jobs. In addition, Zigon (2002) saw training as a procedure for learning that enables employees to keep in step with organizational growth and change plans by modifying their behavior. Further, Thaker (2008) stated that training is a prearranged process by which individuals acquire knowledge and skills for achieving particular tasks. Moreover, Peteraf (1993) reported that training and development represent the planned opportunity that is provided to gain new knowledge through training and other activities that promote learning and that help in achieving the organizational goals and creating a competitive advantage.

The aforementioned definitions and ideas of training based on researchers’ views, while differing slightly, all present the importance and purpose of training as an agent of HCD. It is considered that training, education, and development are some of the greatest instruments that organizations can use to enhance employee competence and improve their organizational performance. Of note, however, is that most SMEs’ motivation for investing in employee training and development activities is because they believe effective training will always lead to greater profit for the organization. In line with this, Bras and Rodrigues (2007) claimed that training has become indispensable for HRD.

Effective and systematic training can benefit both the individual employees and the organization. This suggests that effective training will help organizations to achieve employee job satisfaction, acquire the necessary knowledge in readiness for future tasks, and help them keep pace with changing technology and competition. Odor (2018) argued that training helps organizations minimize operational errors, increase productivity and gain competitive advantage. In addition, Mahapatro (2010) argued that training development programs bring about progressive changes in organizational performance. In line with this, Manzini and Kufa (2016) stated that training is vital for HCD and that it ‘could be seen as a vehicle that takes organizations to their destination within a stipulated time frame. Therefore, there is a need to invest in HCD through training programs; especially now the market is seeing increasingly rapid changes in technology, systems, and products.

Small and Medium-Scale Enterprise

It is essential to provide the meaning of SMEs in the study context, particularly since researchers have claimed that defining them has always been very difficult as well as controversial (Eniola 2014). According to Ekpenyong and Nyong (1992), the reason for the lack of a generally accepted definition is that the classification of businesses into small/medium or large size is based on a subjective judgment. In addition, the economics of countries differ, and each country and its institutions use diverse standards depending on the policies and the objective of organizations. Similarly, different data collection techniques and terminologies are used; thereby making the definition of SMEs more difficult. Specific criteria used include the value-added, value of assets, annual sales, and the number of employees to operationalize such businesses. Of these, annual sales and the number of employees are most often used to delimit the category.

Bekele and Worku (2008) added that the definition of SMEs varies significantly from country to country depending on factors such as the country’s state of economic development, the strength of the industrial and business sectors, the size of SMEs, and the particular problems experienced by SMEs. Hence, there is no uniform or universally accepted definition of SMEs. About the definition of SMEs varies from country to country, in the case of Canada, the United Kingdom (UK), and the United States of America (USA), small-sized industries are those with an annual turnover of USD 2 million or less, and with less than 200 paid employees (Ekpenyong and Nyong, 1992). In Indonesia, the definition is different and refers to those businesses employing less than 10 full-time workers while in Japan, SMEs are defined according to the type of industry, paid-up capital, and the number of paid employees (Eniola and Entebang, 2016).

Further, in the USA, the Small Business Administration defines small-scale enterprises by their loan purpose and the nature of their services (Ojokuku and Sajuyigbe, 2015). Using yet another definition, the European Commission defines SMEs as enterprises employing fewer than 250 employees, with an annual turnover of not exceeding 50 million euros (EUR), or with an annual balance sheet of no more than EUR 43 million (see Table 2.5 on the following page).

With the focus of this study being Nigeria, it is of interest to note that parameters such as asset base (excluding land), the number of workers employed, and the annual turnover are used for the classification of SMEs. Olusegun (2012) maintains that since there is no one definition for SMEs, the above definitions for Nigeria and other countries (as well as others not mentioned here) are based on one or all of the following: the size or amount invested in assets excluding real estate, the annual turnover, and the number of employees.

Table 1: European Community Definitions of Smes (Micro, Small and Medium Scale Enterprises)

Criterion	Micro	Small	Medium
Maximum number of employees	<10	<50	<250
Maximum annual turnover (EUR million)	2	10	43
Maximum annual balance sheet total (EUR million)	2	10	27

Source: European Commission (2003)

Returning to consider Nigeria in particular, the Federal Ministry of Industries in Nigeria defines a medium-sized enterprise as any company with operating assets less than NGN 200 million, and which employs less than 300 people. A small-sized enterprise on the other hand has total assets of less than NGN 50 million and has less than 100 employees. Of note is that annual turnover was not considered in this definition of SMEs (Eniola *et al.*, 2015). Given the above, it is clear that several definitions have been put forward by different organizations at different times as regards what constitutes an SME.

Nevertheless, the general adopted – and the most commonly used – definition in Nigeria was set out in the National Policy on micro, small and medium scale enterprises which were adopted in 2015 (Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). This National Policy adopts a classification based on the dual criteria of employment and assets (excluding land and buildings) (see Table 2.6 on the following page).

Table 2: Classification Adopted by SMEDAN for the National Policy on Msmes

REF	ENTERPRISE CATEGORY	SIZE	NUMBER OF EMPLOYEES	ASSETS (NGN million) (Excluding land and buildings)
1	Micro		<10	<5
2	Small		10 to 49	5 to 49
3	Medium enterprises		50 to 199	50 to 499

Source: Egbuomwan, Ikpefan, and Okoye (2016)

To conclude this sub-section, it is clear that there is no one universal definition of SMEs. Some countries define SMEs according to the number of employees; others define them based on the level of assets or turnover or both. To complicate the issue, most definitions are based on a mix of the above parameters (Ojokuku and Sajuyigbe, 2015). Despite the lack of a universal definition, the substantial issue remains that SMEs are crucial for a developing economy such as Nigeria, and thus for the sake of this study, the researcher adopted the generally accepted definition of SMEs in Nigeria as defined by SMEDAN (2007), and as shown in Table 2.6. This decision also takes note of the fact that much of the extant literature (e.g., Ogunyomi and Bruning, 2016; Peter *et al.*, 2018) provides a similar definition. The next section will consider the state of SMEs’ performance in Nigeria.

SMEs' Performance in Nigeria

In 2010, SMEDAN reported that the total number of registered SMEs in Nigeria was around 15,000 to 23,000 within the various ministries. SMEs form the majority of businesses in Nigeria, and they are mostly found within agricultural and manufacturing sectors such as food production and other manufacturing business (Ogundipe, 2012). SMEs also form the largest proportion of businesses in every other world economy (Ojokuku and Sajuyigbe, 2015) and comprise about 70% to 90% of the business establishments across all the industrial sectors in Nigeria (Eniola *et al.*, 2015). According to research findings, SMEs employ 87.9% of the staff in the private sector (Kadiri, 2012; Somoye, 2013), with SMEs in the agriculture and industrial sectors employing more than 80% of the total workforce. Recently, the increase in employment by SMEs has surpassed the rise in their contribution to GDP; emphasizing the crucial role SMEs play within Nigeria. Eniola and Entebang (2016) argued that the potential of SMEs to serve as an engine for wealth creation, employment generation, and sustainable economic development is huge. In earlier research, Lu and Beamish (2001) observed that small businesses employed 53% of the private workforce and accounted for 47% of sales and 51% of private-sector GDP.

However, SMEs in Nigeria have not performed well in terms of employment generation, development of entrepreneurial capability, indigenous technology, and contribution to the country's GDP and export earnings (Agwu and Emeti, 2014). Ugwushi (2009) argued that the reasons for this poor performance include (but are not limited to) unfavorable and tough economic situations and the environment resulting from poor managerial skills, inadequate training programs and techniques, difficulty in accessing bank credit, poor infrastructure facilities, unreliable government policies, social-cultural problems, and tax and regulation (Abeh, 2017).

In addition, research has shown that SMEs operating in Nigeria are not performing up to expectations because they are not taking advantage of the business opportunities available (Oforegbunam and Okafor, 2010). Further, poor remuneration, lack of training, and inadequate opportunities for skill acquisition are among the major causes of unsatisfactory performance among SMEs in Nigeria. This substandard performance leads to the problem of the high cost of service delivery and delays in service delivery, thus leading to the inability to meet customer satisfaction (Ifejika, 2017). Eniola (2014) maintained that the inability of the country to develop its human capital through adequate training of SME employees is demonstrated in their poor organizational performance. As a result, firms fold due to their inability to manage and nurture the necessary human resources needed to maintain sustainable economic growth and development (Garba, 2010).

Given the above challenges facing SMEs, and the resulting potential impact on organizational development, the study aims to investigate the effect of HCD on SMEs' organizational performance, with one of the objectives being to identify the challenges confronting SMEs' organizational performance; including the above-mentioned challenges. Through this, it is hoped to offer potential solutions and encourage SME managers to focus on empowering and developing their human capital. It is considered that this can be achieved through effective training programs using adequate training techniques to ensure effective SME performance.

Theoretical Framework

Human Capital Theory

This study is based on Adam Smith's (1776) Human Capital Theory. The Human capital theory can be traced to Friedman's neoclassical ideas of 1976 as well as the influential Chicago School approach to economics. Human capital theory's core elements were developed by contributors such as Shultz, (1971). Shultz (1971) extends the discussion in economics to human behaviour. Friedman (1976) argues that investment in education and training are the most relevant contributions that can be expended on any person. The main proposition of human capital theory according to Friedman, is that the more education acquired the more pecuniary and or non-pecuniary returns. Such returns may be present at distinct levels of (a) individual (i.e., performance), (b) organization (i.e., productivity/profit), and (c) national (i.e., quality products and services). The key emphasis according to Shultz, (1971) is that if the human resource is heavily invested in terms of training, retraining, and management development, the probability of achieving the best from such an individual is very high. From another perspective, the human capital theory also postulates that some labour is more productive than others as a result of more resources that have been invested into their training (Mueller, 1982). One of the key tenets of the human capital theory is that like any other business

investment, an investment in skill-building would be more profitable and likely to take a longer period over which the returns from such investment can be accrued (Mueller, 1982). Studies have shown that investments in human capital including training, retraining, and development positively influenced organizational performance (Kraiger, McLinden & Casper, 2004). As result, training and development will continue to be a valued component in the modern-day management of human resources.

Empirical Review

Adelakun (2011). The study evaluates human capital development and economic growth in Nigeria by adopting a conceptual analytical framework that employs the theoretical and ordinary least square (OLS) to analyse the relationship using the GDP as a proxy for economic growth; total government expenditure on education and health, and the enrolment pattern of tertiary, secondary and primary schools as a proxy for human capital. The analysis confirms that there is a strong positive relationship between human capital development and economic growth.

Igbaekemen and Odivwri (2014). Conducted research on the Impact of Human Capital Development on Workers' Productivity in Nigeria's Public Sector. Human capital is generally understood to consist of the individual's capabilities, knowledge, skills, and experience of the organization's employees and managers as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills, and experience through individual learning. The concept and perspective of human capital stem from the fact that there is no substitute for knowledge and learning, creativity and innovation, competencies and capabilities and they need to be relentlessly pursued and focused on the firm's environmental context and competitive logic. The issue of what contributes to competitive advantage has been within the strategy of literature, a shift in emphasis away from external positioning in the industry and the relative balance of competitive forces, towards an acknowledgment that internal resources be viewed as crucial to sustained effectiveness.

Dawodu, Akintunde, and Olulana, (2018). Conducted research on human capital development and organizational performance in the Food, Beverage, and Tobacco industries in Lagos State, Nigeria. The role of human capital in the transformation of material resources into finished goods and services cannot be overemphasized considering its significant importance in any productive organization. As important as human capital is in the transformation process, inadequate training and development have over time tender this objective impossible with a severe effect on the organizational performance level. This situation has become more worrisome in the Nigerian Food, Beverage, and Tobacco industry. The present study focused on human capital development and organizational performance in Lagos State, Nigeria's Food, Beverage, and Tobacco Industry. Total copies of two hundred and seventy-six (276) returned questionnaire was used for data analyses. A stratified random sampling technique based on the respondents' job classification in each of the seven companies was used to administer the research questionnaire. The study used the Pearson coefficient of correlation to test the research hypothesis. The coefficient of correlation indicated there is a significant relationship between human capital development and organizational performance with a 0.000 value at 0.001 percent (2-tailed).

Okafor; Ofobruku, Obi-Anike; and Agbaeze. (2019). This study was mainly to investigate to determine the effects of human capital development on employees' performance in a Nigeria public hospital. The challenges of employee performance in Nigerian public hospitals have persisted, regardless of the government's effort in human capital development. The situation is made worst in that many prior studies on human capital development in Nigeria only focused on other sectors, with limited literature on human capital development in Nigeria's public hospitals. This study utilized the survey approach to have a comprehensive insight into the issue of employee performance in Federal Medical Hospital in Nigeria. Data collected from the survey questionnaire were analyzed and tested using t-statistics generated from the model formulated for the three hypotheses. The data collected were analyzed using the linear regression statistical technique. Results indicated that human capital development activities in Nigerian hospitals can be used to optima employees' performance. In particular, the study found that the lack of articulate human capital development strategy geared toward filling identified skills, knowledge, and attitude gaps were responsible for the merger employee performance in Nigerian hospitals.

Methodology

Research design deals with planning the strategy or overall design of the study. This study used a survey research design. Ogutu (2012) posits that a survey research method is probably the best method available to social scientists who are interested in collecting original data for purposes of describing a population that is too large to observe directly. Survey has several advantages; they can be used to investigate problems in a realistic setting. The cost of the survey is reasonable when we consider the amount of information gathered. Semi-structured interviews were employed to collect data on the issues of HCD in SMEs to understand the problems that affect their performance. The study adopts primary data. The study area is Innoson Technical and Industrial Company Limited and Emenite both in Enugu State. The total population of the study is 786. The population of the study is Innoson (602) and Emenite (184) giving a total of 786 while the sample size was determined using Taro Yamane's formula, the sample size obtained is 265. The researcher collected data through close-ended and open-ended questionnaires. The data were presented in frequency, percentages, and mean tables and analyzed using the t-test statistical tool.

Data Presentation and Analysis

The researcher used a questionnaire as the instrument for data collection. Out of the 265 copies of a questionnaire distributed, there was a 91% return rate. Therefore, the number of questionnaires returned is 239. The distribution and return of the questionnaire are as follows:

TABLE 3: Distribution and Return of Questionnaire

Organization	Number of Questionnaires Distributed	Number of Questionnaire Returned	Number of Questionnaire Lost	% of Valid Questionnaire
Innoson Technical	203	187	16	71
Emenite	62	52	10	20
Total	265	239	26	91

Source: Field Survey, 2022.

Table 3, shows that out of a total of 187 copies of a questionnaire distributed to the workers of Innoson Technical and Industrial Company Limited, 16 copies were lost, while 187 copies representing 71% of the total copies were returned. Out of 62 copies of a questionnaire distributed to the workers of Emenite, 10 copies were lost while 52 copies representing 20% of the total copies were returned. Therefore, the total number of valid questionnaires is 239 copies representing 91% of the total copies of a questionnaire distributed.

Data Relating to Research Questions

Research Question One: What is the effect of employed training on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state?

Table 1: Mean Rating of the Effect of Employed Training on the Organizational Performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu State

Number of copies of questionnaire returned = 239

S/N	ITEMS	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std
1	Makes the company stand out and more attractive	71 (30%)	86 (36%)	25 (10%)	27 (11%)	20 (8%)	3.55	1.24
2	Improves the corporate social responsibility of the organization	79 (33%)	91 (38%)	22 (9%)	23 (10%)	24 (10%)	3.75	1.21
3	Improves the competitive advantage of the organization	80 (33%)	84 (35%)	27 (11%)	23 (10%)	25 (11%)	3.72	1.17
4	Increases the patronization of the company's products	88 (37%)	83 (36%)	17 (11%)	24 (8%)	27 (4%)	3.76	1.13

Grand Mean of Table = 3.70 Associated standard deviation= 1.19

Table 1.1 shows that 71 respondents representing 30% strongly agree that employed training makes the organization more attractive, 86 respondents representing 36% agree, 25 respondents representing 10% were undecided, 27 respondents representing 11% disagree and 20 respondents representing 8% strongly disagreed with a mean of 3.55.

Table 1.2 shows that 79 respondents representing 33% strongly agree that green selection improves corporate social responsibility, 91 respondents representing 38% agree, 22 respondents representing 9% were undecided, 23 respondents representing 10% disagree while 24 respondents representing 10% strongly disagree with a mean of 3.75

Table 1.3 shows that 80 respondents representing 33% strongly agree that employed training improves the competitive advantage of the organization, 84 respondents representing 35% agreed, 27 respondents 10% were undecided, 23 respondents representing 10% disagreed and 25 respondents representing 11% strongly disagreed with a mean of 3.72.

Table 1.4 shows that 88 respondents representing 37% strongly agreed that employed training increases the patronization of the company's products, 83 respondents representing 36% agreed 17 respondents representing 11% were undecided, 24 respondents representing 8% disagreed while 27 respondents representing 4% strongly disagreed with a mean of 3.76.

The cluster mean of 3.70 > 3.00 (Likert mean) and associated standard deviation of 1.19 < 1.581 (Likert standard deviation) indicates that the out listed are the effects of employed training on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state

Hypothesis One

Employed training has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state.

Level of Significance (α) = 0.05

P-value = 0.0000

Interpretation: The z-test result with a z-statistic value of 31.23 and associated probability value of 0.0000 < 0.05 shows that employed training has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state.

Research Question Two: What is the effect of skills acquisition on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state?

Table 2: Mean Rating of the Effect of Skills Acquisition on the Organizational Performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu State

Number of copies of questionnaire returned = 239

S/N	ITEMS	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std
1	Acquisition of skill in environmental work method	85 (36%)	78 (33%)	23 (10%)	33 (14%)	20 (8%)	3.73	1.12
2	Reduce waste	79 (33%)	91 (38%)	22 (9%)	23 (10%)	24 (10%)	3.74	1.07
3	Diffuse environmental awareness within the organization	78 (33%)	81 (34%)	26 (11%)	24 (10%)	30 (13%)	3.64	1.13
4	Engages the employees in environmental problem-solving	83 (37%)	79 (36%)	23 (11%)	31 (8%)	23 (4%)	3.70	1.28

Grand Mean of Table = 3.70 Associated standard deviation= 1.15

Table 2.1 shows that 85 respondents representing 36% of the total respondents strongly agreed with the acquisition of skills in environmental work method, 78 respondents representing 33% agreed, 23 respondents representing 10% were undecided, 33 respondents representing 14% disagreed and 20 respondents representing 8% strongly disagreed.

Table 2.2 shows that 79 respondents representing 33% strongly agreed with reducing waste, 91 respondents representing 38% agreed, 22 respondents representing 9% were undecided, 23 respondents representing 10% disagreed and 24 respondents representing 10% strongly disagreed.

Table 2.3 shows that 78 respondents representing 33% strongly agreed with diffusing environmental awareness within the organization, 81 respondents representing 34% agreed, 26 respondents representing 11% were undecided, 24 respondents representing 10% disagreed and 30 respondents representing 13% strongly disagreed.

Table 2.4 shows that 83 respondents representing 37% strongly agreed with engaging the employees in environmental problem-solving, 79 respondents representing 36% strongly agreed, 79 respondents representing 36% agreed, 23 respondents representing 11% were undecided 31 respondents representing 8% disagreed and 23 respondents representing 45 strongly disagreed.

Hypothesis Two

Skills acquisition has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state.

The cluster mean of 3.70 > 3.00 (Likert mean) and associated standard deviation of 1.15 < 1.581 (Likert standard deviation) indicates that the out listed are the effects of skills acquisition on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state

Level of Significance (α) = 0.05

P-value = 0.0000

Interpretation: The z-test result with a z-statistic value of 30.27 and associated probability value of 0.0000 < 0.05 shows that skills acquisition has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state.

Discussion of Findings

Employed training has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state. The evidence is shown in the (X value = 31.23, p-value $0.0000 < 0.05$). In the empirical review conducted by Eze (2018) on the effect of employed training on the organizational performance of manufacturing firms, although both studies were conducted using different analytical methods and different locations, it was found that employed training has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state

Skills acquisition has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state. The evidence is shown in the (X value = 31.23, p-value $0.0000 < 0.05$). In the empirical review conducted by Anderson (2018) on the effect of skills acquisition on the organizational performance of manufacturing firms and it was discovered that skills acquisition has a significant positive effect on the organizational performance of Innoson Technical and Industrial Company Limited and Emenite Nigeria Limited in Enugu state.

Conclusion

This study presented evidence of the relationship between investment in HCD and organizational performance. The value of this study is its emphasis on the need for SMEs to continually train their employees to ensure that they acquire the necessary knowledge and skills to deliver quality products and services that will improve their organizational performance. Based on the above findings, we conclude that SMEs in Nigeria can attain significant improvement in both their financial and non-financial performance if adequate resources are invested in developing their human capital; especially through training, and skills.

Recommendation

This study's sample covers only SMEs in the South-east region of Nigeria.

- I. A larger sample covering all organizational sizes would provide a valuable contribution to the theory. In addition, future research should consider extending to bordering countries and even developed societies to provide a basis for comparison, a valuable theoretical contribution about HCD strategies and training techniques used to develop employees, and the evaluation of an investment in HCD.
- II. The future research direction for HCD and organizational performance should consider measuring some additional constructs apart from training, and skills as used in this study.

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