

## **THE INFLUENCE OF HUMAN CAPITAL DEVELOPMENT ON ORGANIZATIONAL PRODUCTIVITY (A CASE OF LAGOS STATE UNIVERSITY, OJO)**

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### **Abstract**

Identification of human resources as a pivotal component of an organization's survival is fundamental to understanding its application to the organisation's sustainability. It is however, observed that most training organized by organizations are not physically strong, hence, lacking the stamina to endure strain, which may be attributed to their level of awareness of the significance of human capacity development on organizational productivity. This research is therefore, aimed at analysing the influence of human capital development on organizational productivity; to achieve this aim, the researchers assessed the relationship between human capital development and organizational productivity, which identifies the role of human capital development in fostering innovation within the organizations. The researcher also evaluated the impact of human capacity development on engagement and retention; it further investigated the collective influence of Training, Development and Education on organizational productivity. Descriptive design research was adopted. The sample population comprises staff, both teaching and non-teaching at Lagos State University. A structured questionnaire was used to collect information from the respondents. The research instrument was randomly distributed to the sample population, and inferential statistical tool (regression) was adopted to analyse the earlier proposed hypotheses. The findings have established beyond any reasonable doubt the significance of human capital development on organization productivity. Investing in the training, development, and education of employees can yield significant gains for organizations across multiple dimensions. Human capital development is a critical lever for driving organizational success and productivity.

Keywords: Development, Employee, Human Capital Development, Organization, Productivity, Training

## Introduction

Rapid technical breakthroughs, globalisation, and intense competition characterise the modern corporate environment. The world economy is approaching a period of talent shortage, which, if ignored, would impede global economic growth (World Economic Forum [WEF], 2013). In emerging nations, knowledge, skills, and competencies are essential resources that promote economic growth and lessen social inequality. Organisations work hard to keep a competitive advantage and achieve long-term success in this changing environment. Human resources are necessary since an organization's ability to succeed and continue to exist is largely dependent on the calibre of its workforce that is, on their aptitude, expertise, and capacities.

Historically, organizations focused primarily on physical and financial capital as drivers of growth and success. However, the paradigm has shifted towards recognizing the pivotal role of human capital in fostering innovation, improving efficiency, and achieving strategic goals. In the knowledge-based economy, human capital is increasingly viewed as a critical asset that can provide a sustainable competitive advantage. The skills and expertise of employees are not easily replicable, making them a unique and valuable resource. Consequently, organizations that invest in the continuous development of their human capital are better positioned to adapt to changes, innovate, and excel in their respective industries (Aman-Ullah et al., 2022). Therefore, the analysis and identification of human resources as a pivotal component of organization survival is fundamental to understanding its application to the sustainability of the organization.

An organization's human resources are made up of a variety of knowledge, concepts, talents, dedication, satisfaction, and skills that are needed to carry out tasks that will help the organisation achieve its objectives (Toki et al., 2023). Consequently, the information, abilities, and qualities that people possess and which enable the development of economic, social, and personal well-being are referred to as human capital. All of these contribute to the organization's human capital, which is made up of the innate and learned traits of those who provide goods and services that support the company's profitability. This is vital for the organization's existence, expansion, and continuity.

Human resource personnel view education as one of the routes through which human resources are developed, which is referred to as human capital development. Human capital development is key to combating high and persistent unemployment underemployment and poverty (Ogunade, 2011). Human capital development is a critical factor that has emerged as a determinant of organizational effectiveness. Every organization desire high performance and employees are the means of achieving this objective (Marr et al., 2004). That is to say that, organizations cannot achieve high performance without paying adequate attention to human capital. One important organisational resource that supports business expansion and effective goal attainment is human capital. Thus, investing in human capital through training or education is a crucial area of concern for businesses (Annakis et al., 2014).

The development of human capital may occur in several ways. It may be accomplished through workshops, ongoing growth, coaching, leadership training, job training, mentorship, personality tests, and continuing education. Employees must co-evolve, or gain the skills, values, and perspectives necessary to grasp these technologies, to stay up in an economy where technology plays a leading and dominant role due to its rapid growth and deployment (Zhang et al., 2022). Human capital must be developed and leveraged to generate returns. Human capital development encompasses a wide range of activities aimed at improving the capabilities and productivity of employees. These activities include education, training, professional development, and other learning opportunities that enable employees to acquire new skills and knowledge.

Nowadays, in the commercial world, competition is the name of the game. Therefore, to guarantee that organisations meet not just the fundamental aims and goals of business profit-making, but also long-term sustainability and survival, it is necessary to recruit, train, and maintain a workforce that is competent, creative, problem-solving, and result-oriented. It is important to know that employee performance is tangential to the organization for the effective running of the organization and for the organization to remain in the competitive and dynamic environment, such needs to invest in human resources (Okafor et al., 2019). Therefore, for organizations to achieve high performance, organizations must pay adequate attention to human resource training, human resource development and human resource education. It can be rightly said that the explanation for the issue of human resource training, human resource development and human resource education will greatly lead to higher performance in the organization.

Nonetheless, it is noted that the majority of training programmes run by organisations are not physically demanding, and as a result, they lack the endurance to withstand stress. Even if the trainee has the requisite skills, the company cannot survive if the employee is unwilling to advance academically, take development training, or even just refuse to work. Another contending factor is that if, the ability and the willingness of a worker but the congenial environment is lacking, will lead to dis-functioning of the organization. Unfortunately, many establishments underrate and devalue the need to develop human capital. The consequences of disregarding investing in human capital development result in low productivity of workers in an organization. Also, if the training needs, skills and knowledge accessibility of employees are not well prioritized in an organization, it will severely affect the predicted outcomes which consequently will be damaging to the level of productivity.

In addition, few studies have evaluated human resource education, training, and development along with other elements of human capital development stated herein on employee performance in the public sector, especially among the Nigeria University. It is a bid to address these problems this study aims to make a meaningful contribution to both academic literature and practical implications for human capital development strategies in the public sector, and more importantly, Nigeria Universities. This research seeks to fill this gap by investigating the influence of human capital development on various dimensions of organizational productivity, including productivity, innovation, employee engagement, and overall performance. The research is, therefore, aimed at analyzing the influence of human capital development on organizational productivity. To achieve this, the underlisted objectives shall be adopted by the researchers:

1. To assess the relationship between human capital development and organizational productivity.
2. To examine the role of human capital development in fostering innovation within the organizations.
3. To investigate the collective influence of Training, Development and Education on organizational productivity.

### **Literature Review**

According to a study by Marimuthu et al (2023), the researchers investigated Human Capital Development and Its Impact on Firm Performance. The research explored the current literature on human capital and its impact on firm performance. The conceptualization of human capital is closely linked to some fundamentals of economics and firm performance. The literature reviews show that there is reasonably strong evidence to show that the infusion of ‘human capital enhancement’ in organizations promotes innovativeness and greater firm performance. Studies also clearly substantiate the fact that financial performance is positively impacted through the consideration of human capital.

In light of this, the understanding of firm performance regarding human capital should not be regarded as a phenomenon that only adds ‘more zeros’ to a firm’s profits; it is rather transforming the entire workforce as the most ‘valuable asset’ for the organization to pave the way for greater achievements via innovativeness and creativity. Hence, companies should, therefore, come up with some effective plans,

especially in investing the various aspects of human capital as not only does it direct firms to attain greater performance but also it ensures firms remain competitive for their long-term survival.

Roma et al (2022) examined the Factors Affecting Human Capital Development: A Model for Operational productivity in Human Resource Practice. The research identified Human capital as the most crucial resource for the organisation. The research reiterated role of human capital in organizational development and economic growth cannot be undermined, as it is among the reasons organizations and countries can achieve their business and economic goals. For countries and businesses to grow rapidly, they must look into the quality of human capital they employ making sure that human resources possess the right qualities and qualifications that can help the organizations in achieving their set goals. Education is among the crucial key factors necessary for human capital development. It begins with basic education up to the higher level of education that will equip the human resources with the needed skills to perform their duties and help organizations in their capacity as employees. Organizations at the same time must commit to the development of their human resources by providing all the needed training and development so that employees can be in a better position to address issues and challenges in their workplace.

Comparably, staff development management, which extends beyond the acquisition of skills necessary for job performance and involves educating staff members broadly about all aspects of the organisation and its surroundings, including its culture, structure, work ethics, competitiveness, objectives, goals, target, performance output measurement, and appraisal, among other things, will position staff members to run with the organisation as it moves forward and provide them with the tools they need to meet challenges that lie ahead. The goal of employment is mostly attained through the education sector, which offers the finest human resource capital for social and commercial pursuits since it gives the organisation a competitive edge overall. Human capital development and organisational productivity of Southeast Nigerian industrial enterprises, Lekan-Akomolafe (2023), looked at how Southeast Nigerian manufacturing companies' efficacy was impacted by their development of human capital. The development of human capital has a significant impact on organisational effectiveness, according to respondent responses. The results indicate that investing in human capital, managing careers, and using competency-based evaluation are crucial factors in achieving organisational performance. At the 5% level of significance, the statistical analysis showed that organisational productivity is positively and statistically significantly impacted by human capital development. As a result, the study concludes that human capital development affects and is dependent upon the efficacy of manufacturing enterprises in South-East Nigeria.

Comparably, staff development management, which extends beyond the acquisition of skills necessary for job performance and includes educating staff members broadly about the organisation and its surroundings, including its culture, structure, work ethics, competitiveness, objectives, goals, targets, performance output measurement, and appraisal, among other things, will put staff members in a position to succeed as the business continues to grow and will prepare them for the challenges that lie ahead in the ever-changing environment in which it operates. Based on the findings, it was determined that education is a crucial area for accomplishing the organization's objective; as a platform, it offers the finest human resource capital for social and commercial endeavours since it benefits the organisation competitively.

The impact of human capital development on the performance of public sector organisations in Anambra State, Nigeria, was investigated by ILO et al. in 2022. The study confirmed that the service delivery and productivity of certain public sector organisations in Anambra State, Nigeria, were impacted by skill development, knowledge accessibility, and personnel planning. The development of human capital and organisational performance are clearly and directly related. In conclusion, human capital development improves the organisational performance of Nigeria's Anambra State public sector organisations.

Analysing the impact of human capital development on employee performance through a study of Kaduna State Media Corporation, Eyikorogha and Agullah (2021) continue in the same vein. Employee development and training is an ongoing activity. For training plans to be effective, they must be linked to both job analysis, which provides a precise and accurate description of the work that people do and for which they need training, and manpower planning, which shows the future requirements of various types of employees.

These job descriptions must be updated to reflect changes in organisations and technology. These instructions help determine which training components are best delivered in-house, at a training department, or through outside courses, as well as how many and what kinds of trained workers are needed. Any organization's coordinated future investment is its workforce development and training. An organisation must allocate a significant portion of its resources to employee training and development if it is to stay up with the times, particularly in this era of rapid technological advancement and computer speed. This is because the organization's personnel comprise and represent its spirit and core values. Therefore, it would pay a heavy price if human resources were not developed appropriately.

### **Conceptual Framework**

#### **Human Capital Development**

The goal of human capital development (HCD) is to increase productivity by enhancing human knowledge, abilities, and attitudes. Any effort to increase employee resourcefulness, productivity, and human knowledge and skills is referred to as HCD (Sam, 2011). Thus, career development, employee training, and human capital management fall under the purview of HCD. Experts concur that while many factors affect employee performance, human capital development is the most crucial element in enhancing workers' skills, knowledge, and attitudes (Adiele & Ibietan, 2017).

Human resources are "regarded as the largest and most essential intangible asset in a business that ultimately supplies the goods and/or services that customers require or the answers to their problems," Ahangar (2011) states. It includes all of an organization's collective expertise, experience, aptitudes, and knowledge. It also encompasses the inventiveness and creativity of an organisation. Despite the growing investment in human capital, corporate balance sheets do not yet have a common metric to assess the productivity of this investment. Structural capital is the architecture that underpins human capital. At the end of the day, when the workers vacate the factory or office, the capital is what is left. Among other things, it includes data, techniques, and patents. Unlike human capital, it is a company's property and may be shared, duplicated, and traded both inside and across the organisation (Ahangar, 2011).

#### **Training**

The literature is replete with examples of how training affects an organization's performance or output. Training becomes essential when staff members go beyond their original assignments, knowledge, abilities, attitudes, and skills and are prepared for new tasks (Meeta & Dwivedi, 2012). Even though training is primarily intended for employees, the organisation ultimately benefits from it because it is the end user of its advantages (Raja, Furqan, & Muhammed, 2011). In his book "Anatomy of Personnel Management," Obisi (2015) defined training as a brief, structured process that equips non-managerial employees with technical abilities for a particular task. The purpose of training is to impart knowledge to operational or technical staff members so they can carry out the duties for which they were employed. It is essentially the dissemination of technical or operational information to staff members working at the operational level. According to Meeta and Dwivedi (2012), training and development are a set of initiatives meant to raise workers' performance standards inside companies to increase output or performance.

#### **Development**

The term "development" is frequently employed to denote a particular level of progress or expansion. Obisi (2015) distinguished between development and training, stating that longer-term development



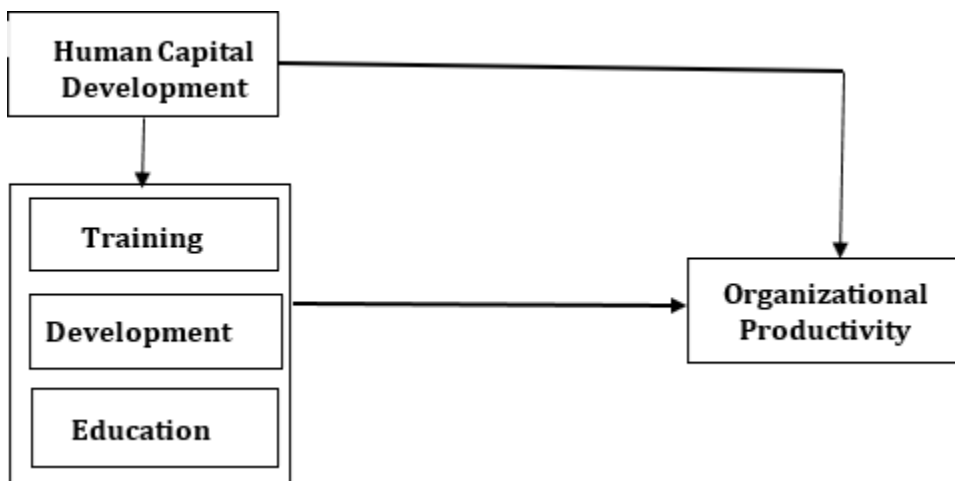
courses are carried out for managerial workers. The process of development involves providing management professionals with general-purpose theoretical knowledge over an extended period. It might also refer to a novel and cutting-edge concept or item, or an occasion that, in light of evolving conditions, marks the beginning of a new phase.

**Education**

A common opinion is that education, particularly in higher education, is a huge step towards developing human capital in a way that gives an economy a competitive edge (Mohammed, Rufai, & Azeez, 2016). This holds for microenvironments like corporate organisations as well as for the macro environment. People are what make organisations what they are, hence they must be educated. Owing to the importance of education, Njoku (2017) claimed that there cannot be productive human capital without a functioning education. This might be the cause of Crocker's (2006) assertion that the level of education of workers impacts the quality of that labour. This confirmation leads to the conclusion that an employee's degree of education strongly correlates with the quality of human capital they possess.

**Organizational Productivity**

Performance is the capacity of an organisation to produce a profit on sales while also providing a suitable return on the capital and labour employed in the business activity. Retained earnings are derived from a company's profits. As per Weston and Brigham (1992), "Profit is an outcome of profit, but performance is a test of efficiency and a measure of control for financial management; it represents a margin of safety to creditors; it is a measure of taxable capacity and a basis for legislative actions for the government; it is an index of economic progress, national income generated, and the rise in the standard of living for the country." Despite their close relationship, profit and profitability, or performance, serve various purposes in the business world. Ehi-Oshio, Adeyemi, and Enofe (2013) define "corporate profitability" as an organization's capacity to effectively use its current resources and money to turn them into profits.



**Figure 1: Concept of Human Capital Development and Organizational Development**

**Theoretical Framework**

**Human Capital Development Theory**

The theory that guided this investigation was the philosophy of human capital development. University of Chicago economist Gary Becker first proposed the concept of human capital in 1964. All of the information, skills, abilities, experience, intellect, training, judgement, and wisdom that members of a population possess both individually and collectively are collectively referred to as human capital. These

resources are the collective ability of the populace and constitute a type of wealth that may be used to achieve all or some of the objectives of the state or country. It is an attempt to represent the social, biological, cultural, and psychological complexity as they interact in explicit and/or economic interactions. It is an aggregate economic perspective of the human person functioning within economies. The role of human capital in economic development, productivity growth, and innovation has often been cited as a justification for government subsidies for education and job skills training (Olasokan and Toki, 2021). Numerous theories explicitly link education to investments in human capital development. Many criticisms have been levelled towards human capital, and these criticisms persist. Signalling theory is an alternative to human capital proposed by Michael Spence. In addition to human capital, Pierre Bourdieu provides a sophisticated conceptual framework that takes symbolic, cultural, social, and economic capital into account. These criticisms and other discussions imply that "human capital" is a reified idea with insufficient capacity for explanation.

According to Woolcut and Rose (2013), labour was referred to as simply "workforce" or "labour" and was one of the three factors of production (the other two being land and the assumed interchangeable assets of money and physical equipment). Early economic theories reflected the context, i.e., the secondary sector of the economy was producing much more than the tertiary sector was able to produce at the time in most countries. Human components of production were elevated from this basic mechanical analysis to human capital, just as land came to be seen as natural capital and an asset in and of itself. The concept of "balanced growth" in contemporary technical financial analysis refers to the objective of an equal increase in the total amount of human capabilities and physical assets used in the production of products and services.

When the tertiary sector, which required creativity, started to produce more than the secondary sector in the most developed countries at the time in the 1950s, the assumption that labour or workforces could be easily modelled in aggregate started to be challenged (Pitfield, 2011). In any organisation, human capital is the foundation of human development. Pitfield (2011) proposed that three primary capacities are at the core of human capital management at the macro level: the ability to cultivate talent, the ability to use talent, and the ability to attract talent from outside sources. These three abilities taken together provide the foundation for any nation's competitiveness in terms of human capital. Additionally, there is compelling evidence to suggest that human capital-rich organisations function better than those that lack it. In this study, employee performance and human capital development will be assessed using the three main tenets of the theory of human capital development: the ability to generate talent, the ability to deploy talent, and the ability to attract talent from elsewhere.

### **The Relationship between Human Capital and Firm Productivity**

The two primary subjects of human capital are people and organisations. As to the findings of Garavan et al. (2001), human capitals possess the following four essential attributes: (1) Adaptability and flexibility (2) Improvement of personal abilities and the advancement of organisational capabilities; and (4) the employability of each individual. It demonstrates how these qualities also bring value to the achievements of individuals and organisations. Numerous outcomes include improved organisational retention; higher organisational commitment and human capital with higher performance and lasting competitive advantage. As a result, the central theme of all these discussions is performance both individual and organisational. Collis and Montgomery (1995) highlight that the significance of human capital is contingent upon its ability to generate a competitive advantage at the individual level. From an economic perspective, transaction costs show that having firm-specific resources that competitors cannot duplicate gives a company a competitive edge. As a result, the company has an incentive to devote resources to management to lower risks and maximise potential for productivity as human capital becomes more distinctive. Therefore, to compete in their organisations, people must improve their competency and abilities.

A talent is the ability to do certain tasks with the least amount of effort or time required. It's common to categorise abilities into domain-general and domain-specific categories. Within the workplace, for instance, general skills may include self-motivation, teamwork and leadership, and time management, while domain-specific skills would only apply to a certain profession. To evaluate the degree of talent being demonstrated and applied, specific contextual cues and circumstances are often necessary. To contribute to the development and performance of the company and keep it competitive, employees require a wide range of talents, especially domain-specific skills.

### **Methodology**

Descriptive design research was adopted for the research, as it was considered relevant for the research. The research sought to collect information from respondents in the study area as it pertains to the significance of human capacity development to organization productivity. The sample population comprises staff, both teaching and non-teaching at Lagos State University. To collect information from the respondents, a structured research questionnaire was adopted. The structured questionnaire includes two (2) sections, the first comprises demographic information of the respondents, while the second comprises questions aimed at providing answers to the earlier proposed research questions. A total number of two hundred (200) research instruments was simply randomly distributed to the sample population as the research involves the employees of the University. The data retrieved was subjected to proper scrutiny, to avoid spurious results, those that were not properly filled were discarded, and the ones considered relevant for the research were coded, computed into the statistical software and analysed afterwards. According to Kothari (2011), the researcher recommends that simple graphics analysis and descriptive statistics form the basis of virtually every quantitative analysis of data, therefore, frequencies, and percentages were adopted which enables the researcher to show the distribution and logical conclusion was reached.

### **RESULT DISCUSSION**

#### **Relationship between Human Capital Development and Employee Productivity**

To sample the opinion of the respondents on the relationship that exists between human capital development and employee productivity some related questions. The research established employee engagement and motivation influence organization productivity. The research also enquired if no relationship exists between human capital development initiatives and employee engagement/motivation 10.3% strongly agreed, 11.3% agreed, 22.6% undecided, 34.4% disagreed and 21.5% strongly disagreed. The research thus established relationship exists between human capital development initiatives and employee engagement/motivation. In addition, it also examined if opportunities for career advancement and professional development impact employee productivity, 30.3% strongly agreed, 30.8% agreed, 27.7% undecided, 5.1% disagreed and 6.2%, the research thus established opportunities for career advancement and professional development impact employee productivity.

The research also examined if organizational culture and work environment (e.g., leadership, teamwork, communication, and work-life balance) influence employee productivity. The research reveals 33.8% strongly agreed, 26.2% agreed, 14.4% undecided, 20% disagreed, and 5.6% strongly disagreed, the research reveals a larger percentage of agreed respondents. In addition, the research examined if Human capital development signals an organization's commitment to employee growth and empowerment. 27.7% strongly agreed, 24.1% agreed, 21% undecided, 21% disagreed and 6.2% strongly disagreed. The research established Human capital development signals an organization's commitment to employee growth and empowerment.

#### **Human Capital Development Impact on Innovation within the Organizations**

The research examined the impact of human capital development on the productivity of the organization. Hence, the research examined if Investing in the knowledge, skills, and abilities of employees does not play a significant role in driving innovation. 10.8% strongly agreed, 13.8% agreed, 9.7% undecided, 33.8% disagreed and 31.8% strongly disagreed. It therefore established a larger percentage of the



respondents disagreed with the statement which says Investing in the knowledge, skills, and abilities of employees do not play a significant role in driving innovation. It also examined if developing employee capabilities through training, education, and career development programs can foster a more innovative mindset and skill set. 12.3% strongly agreed, 42.6% agreed, 28.7% undecided, 6.7% disagreed while 9.7% strongly disagreed. It thus shows a higher percentage of disagreed respondents. In addition, it enquired if Improved human capital allows organizations to better identify, develop, and implement new ideas and technologies, 33.3% strongly agree, 43.1% agreed, 15.9% undecided, 4.6% disagreed, while 3.1% strongly disagreed, the research reveals the larger percentage of agreed respondents.

The research also enquired if Knowledgeable, skilled, and creative employees are better equipped to problem-solve, think critically, and come up with novel solutions. The research reveals that 27.2% strongly agreed, 37.4% agreed, 23.6% were undecided, 8.2% disagreed, and 3.6% strongly disagreed, the research reveals larger percentage of the respondents agreed Knowledgeable, skilled, and creative employees are better equipped to problem-solve, think critically, and come up with novel solutions. In addition, the research enquired if building a diverse workforce with varied perspectives does not enhance an organization's innovative potential. 10.8% strongly agreed, 9.7% agreed, 11.3% undecided, 19.5% disagreed, and 48.7% strongly disagreed. The research thus established a larger percentage of disagreed respondents, which therefore means Building a diverse workforce with varied perspectives enhances an organization's innovative potential. Also, it enquired if Providing opportunities for continuous learning and idea generation encourages employees to challenge the status quo, 32.8% strongly agreed, 35.4% agreed, 16.9% undecided, 12.3% disagreed, and 2.6% strongly disagreed, the research reveals a larger percentage of agreed respondents, which means Providing opportunities for continuous learning and idea generation encourages employees to challenge the status quo.

### **Influence of Training, Development and Education on Organizational Productivity.**

The research examined the influence of training, development and education on organization productivity. The research enquired if Training (technical, managerial, soft skills, etc.) differentially affects productivity metrics, 21.5% strongly agreed, 30.8% agreed, 33.8% undecided, 7.7% disagreed, and 6.2% strongly disagreed. The research reveals a larger percentage of agreed respondents, thus providing opportunities for continuous learning and idea generation encourages employees to challenge the status quo. In addition, it enquired if Formal education levels of the workforce do not relate to organizational productivity, 5.6% strongly agreed, 2.1% agreed, 12.3% undecided, 23.6% disagreed, and 56.4% strongly disagreed. The research reveals a larger percentage of strongly disagreed respondents, which established that Formal education levels of the workforce relate to organizational productivity. Also, the research enquired if Higher education levels within the organization lead to greater productivity, 22.1% strongly agreed, 30.8% agreed, 27.2% were undecided, and 9.7% disagreed, while 10.3% strongly disagreed, thus revealing a larger percentage of agreed respondents, hence, Higher education levels within the organization lead to greater productivity. Finally, the research reveals if Investment in developing employees' skills and advancing their careers translates to improved productivity 12.8% strongly agreed, 44.1% agreed, 30.3% undecided, 9.7% disagreed and 3.1% strongly disagreed. The research reveals a larger percentage of agreed respondents; hence, investment in developing employees' skills and advancing their careers translates to improved productivity.

## **Discussion**

Investing in human capital development no doubt enhances organisational productivity, as Effective human capital development programs equip employees with relevant job skills, industry knowledge, and problem-solving abilities. This directly enhances their productivity and output. Most importantly specialized training and development opportunities enable employees to perform their job duties more efficiently and effectively. They can complete tasks in less time with higher quality, which enables them to identify problems, analyze root causes, and implement better solutions to improve productivity. In addition, it boosts the motivation of the employee, which is a demonstration of an organization's

commitment to their growth and success. This can increase job satisfaction, engagement, and motivation, further driving higher productivity.

The research also established a relationship between Human Capital and Innovation. Innovation is the successful implementation of creative ideas and solutions. Employees' knowledge, skills, and abilities (their human capital) are critical inputs that drive the innovation process. Investing in human capital development is therefore directly linked to fostering innovation as it cultivates creativity in the employee. Human capital development programs that promote creative thinking, problem-solving and ideation equip employees with the mindset and capabilities to generate innovative ideas. It also encourages risk-taking. The more organizations support employee development and learning, it creates a culture more tolerant of experimentation and calculated risk-taking essential for breakthrough innovations. Developing Specialized Expertise: Targeted training and education allow employees to gain deep, specialized knowledge in their domains. This domain expertise is a key enabler of technical innovations. Therefore, the organization will attract innovative Talent. Robust human capital development initiatives make organizations more attractive to talented, creative individuals who are critical for driving innovation. Investments in human capital drive innovation and yield several benefits for the organization as it promotes competitive advantage through new/improved products, services, and processes, Enhanced organizational agility and responsiveness, Increased market share and revenue growth, and Improved brand reputation and customer loyalty. Hence, a strategic focus on human capital development is essential for cultivating a culture of innovation that can deliver sustainable competitive advantages.

### **Conclusion**

The findings have established beyond any reasonable doubt the significance of human capital development on organization productivity. The significance is clear and compelling. Investing in the training, development, and education of employees can yield significant gains for organizations across multiple dimensions. The improvement in employee capabilities leads to increased efficiency, reduced errors, and higher-quality work. These transferable skills enable the workforce to be more responsive to changing organizational needs, driving higher overall productivity and agility. These positive employee outcomes are strongly linked to higher levels of productivity, performance, and retention. By strategically investing in the training, development, and education of their workforce, organizations can unlock significant gains in productivity, efficiency, and overall competitiveness. The evidence is clear human capital development is a critical lever for driving organizational success and productivity

### **Recommendations**

Based on the analysis of the influence of human capital development on organizational productivity, here are the key recommendations of the research:

1. **Invest in Skill-Building Programs:** Targeted training and development programs that enhance employees' job-specific skills and competencies directly improve their productivity and output. Therefore, organizations should implement comprehensive skill-building initiatives, such as technical training, cross-functional workshops, and job-shadowing opportunities, to equip employees with the necessary capabilities.
2. **Promote Knowledge Acquisition:** Educational initiatives expose employees to new industry knowledge, trends, and best practices, which foster innovative problem-solving and decision-making, and boost organizational productivity. The organizations should, therefore, encourage employees to pursue formal education, attend industry conferences, and participate in knowledge-sharing activities to continuously expand their expertise.
3. **Develop Well-Rounded Capabilities:** Building transferable capabilities, such as critical thinking, adaptability, and effective communication, enables employees to be more versatile and responsive to changing organizational needs, driving higher overall productivity. Therefore, organizations should implement comprehensive leadership development programs and cross-training opportunities to cultivate these essential capabilities across the workforce.

4. Foster Employee Engagement and Motivation: Investment in employee development demonstrates an organization's commitment to its growth, leading to increased job satisfaction, engagement, and motivation, which are strongly linked to higher productivity. Organizations should integrate employee development initiatives with robust performance management and recognition programs to create a culture that values and rewards continuous learning and growth.
5. Improve Organizational Agility: Continuous learning and development are found to prepare the workforce to adapt more readily to new technologies, processes, and market demands, enhancing the organization's overall productivity and competitiveness. The organizations should, therefore, encourage a culture of lifelong learning and adaptability by providing ongoing training opportunities and incentivizing employees to stay current with industry trends and innovations.
6. Attract and Retain Talented Employees: Robust human capital development programs make an organization more attractive to talented individuals, and retaining these skilled employees contributes to the organization's long-term productivity and competitive edge. The organizations should work towards the integration of human capital development initiatives with the organization's talent management strategy to attract, develop, and retain top-performing employees.

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