



Correlational Analysis of Training Outlay and Organizational Output in A Small and Medium Enterprise in Nigeria

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Abstract

A well-trained and motivated workforce is a valuable asset to any organisation. Organizations, therefore, invest hugely in training and capacity building, to enhance the productivity of employees, as a sine qua non for increased organisational output. In this regard, the study examined the relationship between investment in employee training and output of SMEs in Nigeria. In the survey method, data on outlay and production output of the study company were analysed, using simple percentages; while the association was examined through the instrument of correlational analysis. Against the a priori expectation of a positive correlation, the result of the analysis showed a negative insignificant association, suggesting that the notion of all-time positive and significant correlation among training outlay, employee productivity and organisational output was only plausible. In explaining the curious result, factors which include training, supervision and motivation, were, among others, identified. Therefore, the study recommended that management should ensure that training must be conducted according to organizational needs and that proper supervision must also be provided, to guide employee performance on the job. Besides, adequate motivation should be provided to employees, to elicit performance, instead of resting on the efficacy of training alone.

Keywords: Employee, Motivation, Organisational Output, Outlay, Training.

Introduction

The objective of employee training is to create a workforce with the right skills, competence and capacity to effectively and efficiently transform the organisation by extending its production possibility frontiers. Focus on human capital development is hinged on the truism that of all factors of production, labour and entrepreneurship are the most active components. Employee training is, therefore, a *sine qua non* for enhancing organisational productivity and performance.

Literature is replete with the benefits of employee training to organisations: knowledge

acquisition, skill-building, employee satisfaction, higher productivity motivation through higher earnings and increased organisational output. Investing in training is, therefore, a win-win strategy for enhancing employee productivity, earnings and for achieving greater organisational performance. In this wise, Becker (1964) and Mincer (1974) provide a useful platform on which the relationship between investment in training and organisational productivity is premised. To Stone (2002), training reconciles the respective objectives of the organisation and employees such that a harmonious co-existence on a sustainable basis is established. Without

training, an organization's workforce is bereft of the requisite knowledge, specialization, skills and attitude for effective performance in the workplace situation. Onasanya (2005) therefore suggests that actions taken to impart employees with the above qualities by organisations in totality constitute training. Sannusi (2002) also notes that the essence of training is to achieve capacity building.

Flowing from the foregoing, a poorly trained or untrained workforce lacks the potentials to deliver on crucial assignments. This was why Colombo, (2008) and Colombo and Stanca (2008) identified inadequate training as the single most effective clog in the wheel of high employee performance and the resultant low output by defaulting organisations. Realizing the critical importance of training to their success and growth, organisations commit huge financial and managerial resources to human capital development in Nigeria.

In a perfect market, characterized by free labour mobility, employers who require highly skilled and competent workers but who are unwilling to invest in training prefer to poach from the workforce of other organisations who invest heavily in employee training. Such intra- or inter-industry or sector labour movements deplete the stock of trained workers of the training-centric organizations, with adverse implications for productivity and performance. The loss may be more impactful where the affected organisation is a weak public corporation or a small or medium-sized enterprise with low-cost absorptive capacity.

Against the backdrop of the foregoing, this study is undertaken to determine the correlation between investment in training and organisational output, under market-driven labour conditions, using Alkam Nigeria Limited (ANL) as a case study. The choice of ANL, which satisfies the Bankers Committee's (1990)'s criteria of small and medium enterprises (SME) that include: employment of between 10 and 300 workers and a capital base of N200 million (Nwoye, 2011), is premised on the assumption that the behaviour of labour in a capitalist economy is same, irrespective of sectoral categorisation.

Much of the literature and empirical studies in labour economics focus largely on the

simplistic relationship between employee training and organisational performance. Little attention had been paid to the implications of employee attrition for the affected organisations in terms of depletion in productive capacity, and the huge "waste" on training investment, both resulting in lower organisational output and overall performance. In the light of the dearth of empirical studies, discerning the appropriate relationships among workforce attrition, training investment and organisational performance has been herculean. This gap, which forms the core of the problem of previous studies, remains unabridged; hence, this study attempted to investigate the relationship between investment in training and organizational output in Small and Medium Enterprises (SMEs) in Nigeria, with special reference to Alkam Nigeria Limited, Lagos (ANL).

The specific objectives of the study are to determine the relationship between training investment and organisational output, as well as to examine the major contributory factors in the desire of employees to exit the organisations; and to offer policy options to check workforce attrition, and the effects on organisational output, against the backdrop of enormous investment in training.

Review of Literature and Empirical Studies

The correlation among training, productivity, and organisational performance have received a boost in theoretical discourse and empirical studies since the last four decades with the emergent focus on human resource management as a distinct academic subject. For example, Harel and Tzarir (1999) posit that the market value of an organization is premised more on the stock and quality of its human resources and other intangible endowments, such as goodwill, than the tangibles. This is because production is facilitated when human resources are properly harnessed and leveraged. Organisations which possess superior stock of well-trained human resources therefore enjoy advantages in the competitive market place. A proponent of human resource hypothesis, Itami (1987), advocate the centrality of human resource management as a strategic imperative for advancing increased output by organisations.

To realise the potentials inherent in the human capital asset, the knowledge-based theoretical paradigm suggests that organisations should develop their employees through training and knowledge acquisition, to enhance their production capabilities. Capacity building places the employees ahead in the ever-increasing competition, as noted by Grant (1996). Extending the importance of human capital to national development at large has found interesting discourse in recent times. In his view, Harbison (1973) noted that the stock and quality of human capital better define the wealth of a nation than the material resources. This is because developing human capital drives the process of developing the right attitudes necessary to achieve high productivity. Thus, the commonly observed variances in actual and expected performance in organisation arise from knowledge and skills gaps which can be bridged through investment in human capital development (Richard, 2001). In effect, the performance of an organisation is a function of the performance of the employees. To enhance the performance of employees, incentives which traverse several areas are required: training, the right work schedule, good welfare packages, motivation, promotion, sense of belonging and job rotation, among other. (Nwachukwu, 2016).

Several types of training have been designed and adopted by organisations to improve employee knowledge and skills to increase productivity. Some of the training types include induction, on-the-job, off-the-job and in-service (Amuno, 1989). The choice of training type depends on the objectives, needs and skills required to deliver the responsibility or assignment.

Numerous studies have been conducted on the correlation between employee training and productivity and the effect on organisational performance. Many of the studies report interesting results presented in this review. Richard (2001) undertook a study to determine the effect of training on productivity in the agency industry in Nigeria. The study reported a positive relationship between training and productivity of the 25 sampled trained employees. Consequently, the study reported a substantial improvement in productivity. The result provides useful insight into the motivation to invest heavily in training by

organisations. A study conducted by Amuno (1989) on a manufacturing company to examine the impact of trainee-employee on the turnover of the organisation reported incidents of unimpressive results due to the low productivity of the workers while still undergoing training. This observation corroborates the role of training in employee development, skills, competence and delivery capacity.

Anyanwu (2002)'s study was an attempt to re-examine the plethora of concluded studies in Nigeria. The review focused on the relationships between training practices and employee productivity. Interestingly, the results showed varying correlations: some studies reported positive correlation; others reported negative; while some others reported zero association. Ugoji (1988), employing secondary data on differentiated training methodologies in his study, reported positive and significant effects on organisational performance. In a study conducted by Dauda (2016) on the effect of employee training on the performance of public enterprises in Nasarawa State, with NSP as a case study, the findings showed a positive correlation. The study, therefore, concluded that effective employee training should be intensified by public enterprises. Adeyi (2018) conducted a study on the performance of Benue Cement Company Plc and reported that among the critical factors, employee training was central. In a similar study by Mohammed (2016) on the effect of training and human resource management on employee productivity and organizational performance, a positive correlation was also reported. The study, therefore, recommended continuous employee training for higher productivity and enhanced organizational performance. Nwekeaku (2016) in a study on the effective management of SMEs in Nigeria identified regular training as a tool for enhanced employee and organizational performance. Employee training is, therefore, a critical consideration in the performance of both employees and organisations.

Overseas, a study conducted by Thang (2009) in Vietnam, reported a significant positive relationship between training and productivity, both at the individual and at the organisational levels. Similar studies conducted in Ghana by Grant (1996) and in Kenya by Sansui (2002)

reported positive associations between employee training and organisational performance. Interestingly, Sansui's study noted that the failure of 37 agencies in Kenya in 1998 was avoidable, only if the requisite supervision was given earlier to the concerned cadre of employees, through training and retraining. Taylor (1911)'s study of workers loading pig iron at the Bethlehem Steel Corporation reported that "selectively trained" workers who received detailed instruction on how to handle pig iron loaded 47½ tons per man per day as against the 12½ tons per man per day, by other "untrained" workers. The trained workers thus increased wages they earned by 60 per cent. Similar studies conducted in the United Kingdom by Green (2003) and Colombo and Stanca (2008) reported varying degrees of positive association among employee training, productivity and organisational performance. Curiously, Harbison (1973)'s study reported negative effects of employee training and organisational performance. In explaining the unexpected deviation, the study reasoned that because the survey was conducted when the company was distressed, the cut in allocations for training might have influenced the responses and outcome. Irrespective of the position canvassed, the weight of theoretical and empirical evidence supports a positive correlation between employee training and productivity and their instrumentality in organisational performance.

Theoretical Foundation

In an attempt to explain the importance of qualified manpower in the performance of an organisation, various theoretical explanations have been offered. To begin, no organisation, irrespective of size or complexity, can attain and sustain a high level of performance without a commensurate assemblage of a qualified workforce. For this reason, it is argued that the human resource factor is the most vital of all the factors of production employed by an organisation. Therefore, it is often suggested that until the desired level of human resource factor is reasonably attained, all other factors must wait. Differences in the level and quality of manpower, therefore, account for differences in organisational performance, *ceteris paribus* (Anao, 1993).

The link between the quality of human capital and organisational performance provides the impetus for a search for the appropriate theoretical paradigm. In the effort, two complementary versions of the theoretical foundation are favoured: first, the Human Asset Accounting Hypothesis; and second, the Valency Theory. Likert (1967) provided a sufficient explanation of the importance of quality manpower in an organisation. Leading the human asset accounting theorists, Likert postulates that human asset should be quantified and placed on the organisation's balance sheet. Flowing from this imperative, the value of an organisation should improve as either qualified employees are attracted, or as existing employees are trained for improved quality. In contradistinction, the value of the organisation should decrease as skilled employees exit the organisation or become irrelevant (Nwachukwu, 2016). Among the array of factors considered in determining the value of human assets, Likert identified intelligence, aptitude, training, level of performance and motivation as critical (Nwachukwu, 2016).

Vroom's (1964) expectancy or valency theory posits that performance is a product of motivation and ability. While motivation depends on the expectation of reward by workers from their effort (valency) to spur them further, the ability is strongly tied to intelligence, aptitude, training and motivation, among other determinants. To improve the quality or asset value of workers therefore, training and motivation are a *sine qua non*. Viewed together, the two theoretical positions provide a useful explanation of the link between training and organisational performance and their relevance to this study.

Methods

The research approach is the panel or longitudinal survey. The design is applicable where a cross-sectional survey of an existing population is conducted. For example, where sales data over a period or data on labour turnover in a company over a long period are employed in a study, it may be appropriate to deploy a longitudinal survey method (Okpo, 2011). Nnamdi (1986) and Ezennia (1986) employed the methods in studies involving the analyses of profits of commercial banks in the rural areas and manufacturing sales and profits

in Nigeria respectively. Data employed include the total number of employees of the studied company categorised into trained, untrained, exited (turnover) and retained. Data also include annual training and expenditure for the period, 2004-2018.

Alkan Nigeria Ltd (ANL) located in Lagos was selected for the study, given that it satisfies the basic criteria of a small and medium enterprise (SME); and because it is highly exposed to the risk of turnover of employees who are easily attracted by job offers with slight improvements in their work conditions. The Bankers Committee (1990) defines an SME as an enterprise operating in Nigeria, having an asset base, not above N200million and which employs between 10 to 300 workers, in addition to registration with Corporate Affairs Commission (CAC) (Nwoye, 2011). ANL's asset base is N200million and it employs 44 workers. Besides, it is duly registered with CAC. It, therefore, satisfies the aforementioned definition of an SME.

Data were obtained from the records of ANL. As a caveat, management expressed objection to public disclosure of its financial affairs, particularly because the company is closely held. Production outputs were therefore adopted as proxies for performance. Output figures are useful because they suitably reflect the marginal efficiency of labour, ascribable to training and the resultant improvement in skills. Data are presented in tables and are analysed using simple percentages. Percentage analysis is widely used in explaining movements in positions. Apart from the simplicity of comprehension, percentage analysis is useful in "common-sizing" information, by reducing the divergent units of measure to the common percentage unit. The tool has a wide appeal in studies in management and social services.

The association between investment in training (training costs) and physical products or outputs is determined with the aid of correlation tool, using Statistical Package for Social Sciences (SPSS) in processing the data.

Statistically, correlation measures the degree of association, not the causation, between two variables through the Karl Pearson correlation

The value of r lies between -1 and 1; that is $-1 \leq r \leq 1$. Thus, as the value of r approximates 1, the

degree of association increases, and vice versa. A positive coefficient value indicates a co-movement between the variables in the same direction. The converse holds for a negative value (Spiegel and Stephens, 2008; Gupta, 2013).

Results

Data Presentation and Analysis

Data obtained from ANL are presented and analysed in this section. Table 1 below presents the profile of ANL's workforce.

Table 1: Profile of ANL's Workforce (2004-2018)

Year	Total Number of Employees	Categorization of Employees	
		Number of Highly Skilled Workers	No of Ordinary Workers
2004	9	5	4
2005	13	8	5
2006	15	10	5
2007	17	10	7
2008	22	13	9
2009	22	13	9
2010	30	18	12
2011	30	19	11
2012	34	17	17
2013	40	15	25
2014	44	14	30
2015	40	13	27
2016	40	12	28
2017	35	12	23
2018	30	10	20

Source: Extracted from ANL's Records (2004-2018).

From Table 1, it could be observed that approximately 45 per cent of the total workforce was made up of highly skilled employees. These were the trained supervisors who directed in the production of the specialized building materials. The total huge production cost is apportioned to the high-tech machinery, special raw materials and highly skilled labour. Because of their bristle nature, much care is required in the production process. In the training of this set of essential employees, ANL made huge budgetary allocations over a long period.

It is also observable from Table 1 that after 2012, the rate of growth of trained employees decreased progressively, leading to the increases in the ratio of the "ordinarily skilled" to "highly skilled" employees, due to attrition

arising from poaching by the emergent competitors. This picture becomes clearer when

the profile of the workforce is presented, as in table 2 below.

Table 2: Skills Profile of ANL's Workforce (2004-2018)

Year	No. of trained Employees (Annual)	Cumulative No of Skilled Employees	No of Employees Existed (Turnover)	No of Skilled Employees Retrained
2004	5	5	40	5
2005	3	8	60	8
2006	2	10	0	10
2007	0	10	0	10
2008	3	13	0	13
2009	0	13	0	13
2010	3	18	0	18
2011	1	19	2	19
2012	2	17	2	17
2013	2	15	3	15
2014	2	14	1	14
2015	0	13	1	13
2016	0	12	1	12
2017	0	12	0	12
2018	0	10	2	10

Source: Computed from Data Obtained from ANL's Personnel Records.

A perusal of Table 2 reveals that ANL invested steadily in training from inception in 2004 until 2014 when the trend assumed a downward trend owing to the movement of skilled employees to the emergent competing enterprises which offered more attractive incentives. The situation became so worrisome that from 2015, ANL discontinued further training, to reverse the effect on the bottom-line. Analogously, elsewhere in the defunct Bendel State of Nigeria, a similar experience has been encountered by Bendel Breweries Plc, located at Benin City, beside Guinness Plc, at Ikpoba Hill. The erstwhile "blue chip" Bendel Breweries Plc, a public corporation owned by the defunct Bendel State Government, has

suffered a high staff turnover in favour of competing Guinness which offered better work conditions. Together with other managerial problems often associated with public enterprises, the huge investments in machinery and human capital were lost, with the downturn in the fortunes of the corporation. This account was narrated by 70 retired high ranking employees of the corporation at an interview session. Naturally, with the reversal in the proportion of skilled to unskilled labour in the workforce, average employee productivity and marginal physical product or output of ANL declined. Table 3 below presents the picture of the effect of employee turnover on productivity and physical output.

Table 3: Employee Turnover and Production Output (2004-2018)

Year	No of Skilled Workers	Skilled Employee Turnover	Retained Skilled Employees	Production Output 000 Units
2004	5	0	5	220
2005	8	0	8	290
2006	10	0	10	301
2007	10	0	10	322
2008	13	0	13	425
2009	13	0	13	412
2010	18	0	18	536
2011	19	2	19	560
2012	17	2	17	508
2013	15	3	15	486
2014	14	1	14	453
2015	13	1	13	416
2016	12	1	12	377
2017	12	0	12	381
2018	10	2	10	299

Source: Extracted from ANL's Production and HR Records.

Table 3 positive relationship between skilled labour and production output. Thus, as additional employees were trained, output increased until 2010 after when skilled labour

turnover began, leading to a decline in output. ANL's effort at checking the turnover only slowed the rate of movement but could not abate it.

In Table 4, the relationship between training cost and output is presented.

Table 4: Training Outlay and Production Output (2004-2018)

Year	Number of Employees Trained	Cost of Training N000	Production Output 000 Units
2004	5	2,250	220
2005	3	1,350	290
2006	2	900	301
2007	0	0	322
2008	3	1,350	425
2009	0	0	412
2010	3	1,430	536
2011	1	450	560
2012	2	1,000	508
2013	2	1,000	486
2014	1	500	453
2015	0	0	416
2016	0	0	416
2017	0	0	381
2018	0	0	299

Source: Extracted from ANL's Records (2004-2018)

From Table 4, it could be observed that at an average training cost per employee of N450,000, output increased from 220,000 units in 2004 through 425,000 units in 2008, to 560,000 units in 2011. This corresponds with cost of N2,250,000 in 2004, N1,350,000 in 2005 to 450,000 in 2011, respectively. With discontinuation in training from 2015, output slowed from 416,000 in 2015, and 2016 down to 299,000 units in 2018 respectively.

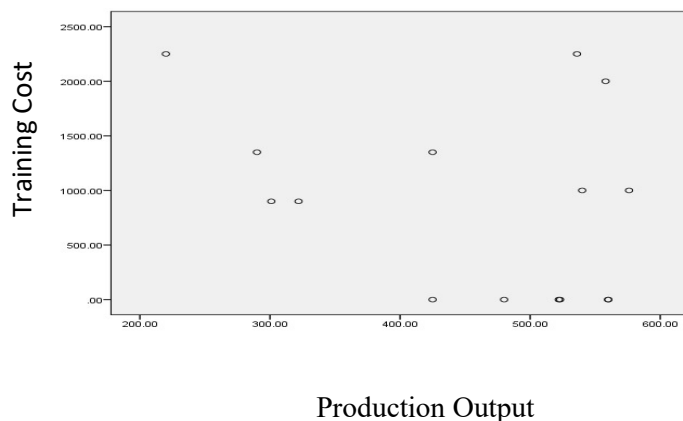
Results of the Correlation Analysis

Table 5 and Figure 1 below present the results of the analysis of the correlation between investment in training and production output.

Table 5: Correlation between Investment in Training and Production Output (2004-2018).

Training		
Production	Pearson Correlation	-.331
	Sig. (2-tailed)	.228
	N	15

Figure 1: Scatter diagram showing the Relationship between Training Cost and Production Output



A careful study of the results of the analysis indicates a low negative correlation between investment in training and production output during the period, given the low negative coefficient of -0.331, or 33 per cent. Although a priori, a high positive correlation was expected, the observed converse may be explained by several factors key of which include: relevance of training to production, poor employee motivation, growing cost of other inputs, labour market conditions, ageing condition of machinery, poor supervision of employees, poor management and the effects of competition (technology, techniques, innovation cheaper sources of raw materials and higher employee motivation, among others). These factors may have limited production output to the observed unexpected low levels.

Discussion

Studies, as highlighted in the review, have established a significant positive relationship between employee training and productivity. A similar relationship has also been established between employee productivity and organisational performance, measured either in physical output or the extent to which the objectives of the organizations are realized. In this wise, Taylor's studies at Bethlehem Steel Corporation which led to the increase in the output of the "trained and properly supervised employees" from 12½ tons to 47½ of pig iron per employee per day is a classic example. In compensating their enhanced contributions, earnings by the employees were increased by 60 per cent. Of particular importance in Taylor's studies were: training and proper on-the-job supervision of workers. Implicit in the

relationship is that training must be proper, and relevant to production techniques. Besides, on the job supervision must be effective; otherwise, productivity may be compromised. Furthermore, individual employee's contribution, instead of collective or group effort, was emphasized. The low productivity of lazy workers which is often raised through the process of "averaging" is detected and unrewarded when the individual effort option is adopted.

In Nigeria, the challenge of human capital development has been enormous. With a dismal ranking of 158 among 181 countries rated in the 2009 Human Development Report, the situation is unimpressive. Malaysia, Thailand, Tunisia, South Africa, India and Ghana ranked 66, 87, 119, 134 and 152 respectively (Any, 2010).

With specific reference to the relationship between human capital development and performance of SMEs, the findings of several studies support the existence of a positive correlation in Nigeria (Oforegbunam and Okafor, 2010; Eny, 2015). Notwithstanding the relationship, the unwillingness of SMEs to invest appropriately in human capital development is a common experience. In random interviews among SME proprietors and key managers, cost overrun, "bottom line effect" and high rate of employee job-flirtation were adduced as a critical consideration. To be sure, therefore, SME employers in Nigeria recognise the high-value addition to employee productivity through training and the implications for the performance of their organisations. The major drag, however, is the cold feet often developed against the cost

outlay. The preference for poaching training workers is pervasive and central in the prevalence of scarcity of highly trained workers among SMEs.

Concerning ANL, output increased progressively with increases in the number of trained employees, based on the increases in productivity, ascribable to enhanced skills. However, with the attrition of workers who were “lost” to competition, output experienced a decline. Without doubt, the depletion of the stock of skilled employees who formed the bedrock of productive labour force eroded the productive capacity of ANL and output, leading to “backwards-bending” productivity curve on the investment-output plane.

The phenomenon was analogous to the experience of Omega Bank Plc. In 1997, the bank commenced implementation of a new human capital development scheme aimed at substantially increasing employee productivity and the bank’s performance. In response to the success achieved, the bank’s key performance indices recorded rapid growth during the period 1997-2004. However, competing banks, desirous of well-trained employees, but unwilling to invest hugely in training, rapidly poached from Omega Bank Plc’s stock and created a harmful scarcity. The resultant decline in the bank’s performance arising from the “dilution” in the trained workforce, lead to a cut in training investment, leading to a decrease in operating performance.

Even with huge investment in training, the critical issue to examine is the relevance to the actual needs of the production process. The question to ask therefore is: was the training in ANL relevant and performance-enhancing? Assuming without conceding that the answer is in the negative, investment in training would be counter-productive in the circumstance, as was suggested by the result of the correlation analysis. As an analogy, commentaries by analysts on the warfare approach adopted in the training of the infantry forces in the war against Boko Haram question the relevance training and adoption of conventional face-to-face tactics, vis-à-vis the contemporary guerilla approach adopted by the enemies. In this wise, although much may have been invested in training, the performance in battle would be minimised or optimised, depending on the

irrelevance or relevance of the training to the nature of the warfare.

Employees may also acquire the best and most relevant training, but in the absence of effective supervision and working conditions, productivity may be ineffectual. This is why Taylor in the Scientific Management Thesis sees the need for “equally good supervision of a worker and his working conditions” (Sapru, 2013). Taylor deployed his concept of “functional foremanship” to explain the importance of supervision based on the employment of specialists in every phase of production, to ensure good work performance.

Curiously, nothing in the compensation package of ANL established a reward system based on output. Instead, it is surmised that reward or payment was based on the number of hours worked. To underscore the importance of payment by output, Taylor (1911) posited that “each man in the gang becomes far less efficient than when his ambition is stimulated”. He should be paired according to his output rather than the output of the group to which he belongs”.

The foregoing aptly throws illuminating lights on the curious correlation between investment in training and employee output. If the right training were not given; if good supervision of workers, whether trained or untrained was not provided; and if payment was not based on output, clearly productivity and output would fail to justify the enormous investment in raising the skills of workers. The same adverse relationship and result are expected where incentives such as bonuses for output and target attainment are disregarded.

Conclusion

This study concluded on a link between investment in training and production output due to the increase in the capacity of the trained workers. While this may hold in general, other factors: relevance of training, proper supervision of workers, focus on individual worker’s output, payment according to output and incentives, may determine a worker’s output, and justification for the investment. These factors may have been improperly managed at ANL, resulting in the negative covariance between training budgets and organisational out.

Summary of Findings

Arising from the analysis, the following findings are made: first, employee training results in higher productivity and increased organisational output, *ceteris paribus*; second, and as a corollary, investing in employee training leads to higher organisational output through enhanced employee productivity; and third, a negative correlation exists between training cost and organisational output, where training relevance is insignificant to the production techniques or methods and where other factors (supervision, workforce attrition, completion, etc) operate adversely against the objective of training.

Recommendations

Arising from the findings and conclusion of this study, the following recommendations are proffered for consideration and adoption by ANL, and by extension, SMEs in Nigeria:

One, Organisations should focus on training that is relevant to the productivity of workers, and by extension, production process. Training to the contrary of relevance is futile. Two, irrespective of the level of skills or dexterity of employees, proper supervision should be given. Thus, while training is necessary, it is insufficient to elicit productivity and output. Organizations should therefore at all times focus on proper supervision, to direct workers, as exemplified in Taylor's experiment at Bethlehem. Three, Organizations should, as much as practicable, adopt compensation practices which reward individual employee's output, rather than group result. Besides, incentives which reward target attainment and beyond should be emplaced, to drive workers' extra-ordinary ability for higher contributions.

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