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Human Capital Development as a Predictor Firm Growth in Manufacturing Companies in Lagos State

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Abstract
The main purpose of this study was to investigate the effect of human capital development on firm growth in Manufacturing companies, Lagos State. The study employed descriptive survey design and the target population of the study was 2,355 employees from the three selected manufacturing companies listed in the Nigeria Stock Exchange. The simple random sampling method was used in selecting the respondents in each of the selected manufacturing company. The sample size was 418. The study used questionnaire to collect the required data. Descriptive statistics was used mainly to summarize the data. Statistical Package for Social Science (SPSS) was used for analysing data. Data presentation was through the use of tables. Regression analysis was used to establish the relationship between the independent and dependent variables. The study found out that employee work experience had no significant effect on organizational output of selected manufacturing companies in Lagos State, Nigeria ($\beta = 0.045$, $t = 1.122$, $p > 0.05$. Employee training had a significant effect on market share of selected manufacturing companies in Lagos State, Nigeria ($\beta = 0.101$, $t = 2.354$, $p < 0.05$). In addition, employee compensation had a significant effect on organisational profit of selected manufacturing companies in Lagos State, Nigeria ($\beta = 0.225$, $t = 4.515$, $p < 0.05$). The study recommends that managers of selected manufacturing companies should improve the staff competence according to the company's expectation; providing training to the employee by emphasizing on the hard skills and soft skills, as well as expertise skill; understand the amount of compensation in accordance with the environment of the manufacturing industry in Nigeria in order to encourage the employees in improving their performance.

Keywords: Human capital development, Firm growth, productivity, Organisational productivity, Training, Compensation

1. Introduction

Consistent organisational growth has been the focus of organisational leaders and managers, culminating in different strategies being put in place to ensure continuous improvement of the manufacturing companies. Maintaining a consistent growth level and superior value delivery through human capital is one of the fundamental issues within the manufacturing organisations today, as human capital are the most valuable assets in any organisation. Manufacturing firms play a significant role in terms of growth and development of the economy of any country. Despite the efforts of managers and organisational specialists in human capital development, a decrease in growth level is observed among the manufacturing firms, especially in the area of organisational output, market share, organisational profit among others.

Globally, growth and superior value delivery has been the focus of every organisation as they strive to reach top positions in enterprise operation. Different researchers have given their opinions as to the nature of growth in organisations and factors that encourage or deplete it (Muthuveloo, Fang, Ping, & Kiumarsi, 2021; Orishede, 2020). Employees are regarded as critical assets in the manufacturing industry in the United States of America due to their tremendous contribution. In Europe, manufacturing companies are among the backbone of the European economy, with more than 99.8% of all non-financial businesses, 58% of total value-added, and 66.8% of total employment (Muller, Caliandro, Peycheva, Gagliardi, Marzocchi, Ramlogan & Cox, 2015). Despite this enormous potential, most manufacturing companies lack the resources and skills to concentrate on activities that are crucial to their development, making growth a major challenge. As a result, they are more vulnerable to internal and external threats (Marks & Thomalla 2017).

In the United Kingdom (UK), manufacturing companies employ approximately 14 million people and have a well-deserved global reputation for provenance, efficiency, and originality. Despite this strong track record, UK manufacturing firms have faced unprecedented challenges in the form of an uncertain business climate and a lack of strategic focus, resulting in manufacturers experiencing slower development (Agnolucci & Arvanitopoulos, 2019). Additionally, while Australian businesses are aggressively seeking methods to increase their growth, efficiency, and profitability to investors, some have struggled to do so due to challenges such as inadequate business process conceptualization, plan creation, and strategy execution (Yapa-Abeywardhana, 2016).

In Malaysia, manufacturing companies are considered a major cornerstones of the Nation’s economic growth. However, they face enormous pressure and multidimensional obstacles as an emerging country in the twenty-first century's latest competition. According to researchers, as a result of the financial crisis, Malaysia's economy has stagnated in recent years. The economic performance is deteriorating due to a slow increase in labor productivity and the loss of its attractiveness as an investment destination (Husaini & Lean, 2015).

In Africa manufacturing companies have shown a high degree of adaptability, as evidence by their ability to build jobs in a difficult environment and a significant contribution to GDP. More than 30 per cent of Kenya's manufacturing companies still face serious challenges hindering their growth (Viffa, 2019). Reports from Kenya show that manufacturing companies, accounting for over 70 per cent of GDP, are key drivers of Kenya's economy (Osano, 2019). In Nigeria, manufacturing companies have significant operational issues as a result of rapid technology advancements, increased rivalry, and an uncertain economy, all of which are lagging behind the global production system (Adebanjo, Oluwasegun, Adegbola, Asamu, Peter, Ben-Caleb, & Eluyela, 2019). The situation is deteriorating as a result of the global energy crisis, as manufacturing businesses are challenged by growing input costs and declining profit margins, among other factors; as a result, manufacturing companies' performance is becoming increasingly difficult (Sorrell, 2015). This is because these enterprises rely on their limited resources to meet operating expenditures that cannot be met by businesses with a restricted production horizon. (Asaleye, Adama, & Ogunjobi, 2018; Oladipo, Iyoha, Fakile, Asaleye, & Eluyela, 2019). This has resulted in production and operational challenges for manufacturing companies in Nigeria.

The importance of Human Capital depends on the degree of its contribution towards the creation of competitive advantage and business growth. Mazelis, Lavrenyuk, Krasko and Zagudaeva (2018) views HC as an element that improves employees and firms’ assets so as to improve productivity and compete in the market. The practice of training of professional, imparting learning in order to acquire skills, knowledge and ability for the employee to be satisfied in order to be motivated to perform. The skills and knowledge a person hold will allow them to work more for economic value (Ejemeyovwi, Osabuohien, & Osabohien, 2018; Kuznetsova, Goloshchapova, Ivashina, Shichiyakh, Petrova, & Tkachev, 2019).

In any business, it’s important to ensure that your employees are equipped with all of the necessary knowledge and skills they need to carry out their daily duties effectively (Nwaeke & Obiekwe, 2017). Staff training is a method of doing this in a structured way, and it allows employers to invest in members of staff that are full of potential and capable of developing and becoming key figures in the business (Rodriguez & Walters, 2017). By offering members of staff the opportunity to learn and grow within your company, you’re not only increasing the chance of retaining these employees, but you’re also creating a more skilled workforce that will benefit your business in the future. Employee training and development is a broad term covering multiple kinds of employee learning (Khan, Abbasi, Waseem, Ayaz, & Ijaz, 2016). Employee training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. However, most organisations fail to engage in regular training of their employees, which results into poor performance. Although, some organisations feel employee development is more expansive and focuses on employee growth and future performance, rather than an immediate job role (Fletcher, Alfes, & Robinson, 2018; Jha, 2016). Different studies have been carried out on human capital development and growth of different organisations with mixed results (Attanasio, Meghir,& Nix, 2020; Gielnik, Zacher, & Schmitt, 2017; Kuznetsova, Bulyga, Rakhmatullina, Titova, Shichiyakh, & Zakirov, 2019; Mazelis, Lavrenyuk, Krasko, & Zagudaeva, 2018; Roig-Tierno, Alcazar, & Ribeiro-Navarrete, 2015; Shuaibu, 2016; Zaika, & Gridin, 2020). However, the extent to which human capita development affect growth of manufacturing companies in Nigeria has not been clearly established. This has created a gap in knowledge that requires research attention.

Objective of the Study

The aim of the study was to investigate the effect of human capital development as predictor of growth of selected manufacturing companies in Lagos State. In specific terms, the objectives of the study were to:

i. determine the effect of employee work experience on organizational output of selected manufacturing companies in Lagos State, Nigeria.
ii. investigate the effect of employee training on market share of selected manufacturing companies in Lagos State, Nigeria.
iii. examine the effect of employee compensation on organisational profit of selected manufacturing companies in Lagos State, Nigeria.

Research Questions

The following research questions guided the study:

i. What is the effect of employee work experience on organizational output of selected manufacturing companies in Lagos State, Nigeria?
ii. How does employee training affect market share of selected manufacturing companies in Lagos State, Nigeria?
iii. How does employee compensation affect organisational profit of selected manufacturing companies in Lagos State, Nigeria?

Hypotheses

The following hypotheses were tested at 0.05 level of significance:

$H_0$1: Employee work experience has no significant effect on organizational output of selected manufacturing companies in Lagos State, Nigeria.
$H_0$2: Employee training has no significant effect on market share of selected manufacturing companies in Lagos State, Nigeria.
$H_0$3: Employee compensation has no significant effect on organisational profit of selected manufacturing companies in Lagos State, Nigeria.

2 Literature review

Human Capital Development

Human capital development is the process of improving an organization's employee performance, capabilities and resources (Sodirjonov, 2020). Human capital development was defined by Gruzina, Firsova and Strielkowski (2021) as a key element in improving a firm assets and employees in order to increase productive as well as sustain competitive advantage. Chowdhury, Uddin, Uddin & Uddin (2018) posited that human capital is a tool for competitive advantage as it involves the process of training, knowledge and skill acquisition, initiatives geared towards betterment and improvement. To sustain competitiveness in the organization human capital becomes an instrument used to increase productivity. Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on a firm performance (Shuaibu, 2016).

Mazelis, Lavrenyuk, Krasko and Zagudaeva (2018) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities. Thus, the definition of human capital is referred to as the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (Kuznetsova, Goloshchapova, Ivashina, Shichiyakh, Petrova, & Tkachev, 2019). Human capital is considered to be one of the most important elements of company success. The process of developing human capital requires creating the necessary environments in which employees can learn better and apply innovative ideas, acquire new competencies, develop skills, behaviors and attitudes (Zhuang, 2017).

Employee Work Experience

According to Rozi and Sunarsi (2020), employee experience is a worker's perceptions about his or her journey through all the touchpoints at a particular company, starting with job candidacy through to the exit from the company.Employee experience encapsulates what people encounter and observe over the course of their tenure at an organization. Every company invests in the customer experience. And as organizations increasingly recognize people as their greatest assets, they're investing in the employee experience as well. Ratnawati, Sukidjo and Efendi (2020) believe that employee work experience is a period of time during which an employee works for a company or organization in order to get experience of a particular type of work. The employee experience is foundational to business performance. Sustaining customer experience efforts, improving products, and building a strong and reputable brand all require the help of your employees (Arifin & Putra, 2020). Ultimately, it is their experiences positive and negative that will impact how hard they work, how much they collaborate, or whether they are invested in improving operational performance. For an organization to master employee experience (EX), it must listen to its people at each stage of the employee lifecycle and create personalized experiences.

The employee experience (EX) is the quality of emotional connection that an employee has with a company. It is shaped by their interactions with people, policies, processes, and technologies during significant moments in their journey with your company.Work experience and motivation are things that play an important role in increasing work effectiveness (Busro, 2019; Fitriyanto, 2005; Lukito, Haryono, & Warso, 2016; Priansa, 2017)

Employee Training

Employees are vital assets to organizations and it is necessary for employers to help in training and developing employees regularly to meet work demand. Employee training are a strategic series of activities that aids, stabilizes, and enhances employees' present and future performance by improving their strength, abilities, knowledge, attitudes, and skills to increase the employees' and organization's effectiveness (Hanaysha, 2016). Armstrong and Landers (2018) opined that training is the act of increasing the knowledge and skill of an employee for doing a particular job. Training can be defined simply as a systematic approach to learning so as to develop individual, team and organisational effectiveness by means of improving their knowledge, developing skills, and bringing about attitude and behavioural changes, to perform these effectively and efficiently (Al Karim, 2019). According to Rodriguez and Walters (2017), training refers to organized and structured exercises focused on improving the standard of ability, expertise and skills.

Training improves employee's notions and perceptions concerning the company ethics, strategies and plans they have regarding their staff, it also encourages employees to be creative and resourceful. It challenges the status quo, and as a result, helps to create innovative concepts which intensify organizational ingenuity and, in that way, guarantee the existence, progress and output of the organization (Nwaeke & Obiekwe, 2017). Therefore, training is a necessary effort of a company to improve quality and to meet the challenges of global competition and social change. Providing training and development is one of the many roles of human resource management (Ibrahim, Boerhannoeddin, & Bakare, 2017). This central role has been recognized by many research studies, for instance, stressed that employees are a crucial and expensive resource and in order to sustain effective performance, it is important to optimize their contribution to the aims and goals of the organizations (Chaudhry, Jariko, Mushtaque, Mahesar, & Ghani, 2017).

Employee Compensation

Gupta and Shaw (2014) define that the indirect compensation is the monetary and non-monetary payment for the employees during their employment with the organization and it is very vital part of the employee's compensation system. Kang and Lee (2021) refer that employee's indirect compensation or indirect benefits program can be given to the employees in various ways of cash but did not suggest including annual holidays in indirect compensation as an indirect benefit to employees. According to Qureshi and Sajjad (2015) employee compensation is defined as the ability and responsibility of a company to contribute to its employees for their achievement of the task and to appreciate their performance. Compensation is a form of reward given because of a job that has been done or effort put in to achieve a set goal and as such, this serves as a motivational factor that encourages an individual to put more energy or commitment into his or her job (Hameed, Ramzan, & Zubair, 2014).

Compensation is a fundamental component of human resource management It covers economic reward in the form of wages and salaries as well as benefits, indirect compensation or supplementary pay (Lin, Liang, Chiu, & Chen, 2019).

Growth

Growth is an increase in the production of economic goods and services, compared from one period of time to another (Bravo-Biosca, Criscuolo, & Menon, 2016). Growth is the amount by which an organisation's average sales of its products or services have increased over time, usually from year to year, is known as sales growth (Roig-Tierno, Alcazar, & Ribeiro-Navarrete, 2015). Bogren, Von Friedrichs, Rennemo and Widding (2013) opined that business Growth is a stage where the business reaches the point for expansion and seeks additional options to generate more profit. Business growth is a function of the business lifecycle, industry growth trends, and the owners desire for equity value creation. A growing business is one that is expanding in one or more ways. There is no single metric used to measure growth. Instead, several data points can be highlighted to show a company is growing (Gielnik, Zacher, & Schmitt, 2017). A growing business is one that is expanding in one or more ways. There is no single metric used to measure growth, instead, several data points can be highlighted to show a company is growing (Castaño, Méndez, & Galindo, 2016).

Organisational Output

According to Rehman, Seth, & Shrivastava, (2016), organizational output comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. Organisational output is defined as the actual output of a company measured against its intended output. It is a broad field that deals with what an organisation does and can accomplish when it interacts with its various constituencies. Organizational output, according to Richard, Stewart, McKay, and Sackett (2017), refers to a company's capacity to meet its stated goals, which can include market share, turnover, innovation, productivity, profitability, and customer happiness. In the manufacturing and marketing of products and services, output is a metric that indicates how well a business is performing and also serves as a barometer of the firm's efficiency and competitiveness (Cai & Szeidl, 2018). The ability of a corporation to build an appropriate organizational structure with the purpose of meeting the expectations of consumers and customers is closely tied to commercial effectiveness (Maduenyi, Oke, Fadeyi, & Ajagbe, 2015).

The advantages of organizational output are that it improves organisational performance through evaluation and control, employee retention and loyalty, improved productivity, overcoming the barriers to communication, clear accountabilities, and cost advantages. Saves time and minimizes conflict; assures performance efficiency and consistency (Bakotić, 2016).

Market Share

The market share of a company is its sales as a percentage of the total revenue of the industry. Over a fiscal period, companies can calculate their market share by dividing their total sales or revenues by the total sales of the industry. Management uses this metric to gain a sense of the organization's size in general (Palmer, Tate, Wadud, & Nellthorp, 2018). According to Romaniuk, Dawes, and Nenycz-Thiel (2018), market share refers to a company's or organization's fraction or percentage of a market. In other terms, a company's market share is the ratio of its total sales to the total industry sales in which it operates. The term "market share" is used to describe how big, strong, or influential your company is in its industry (Bae, Kang, & Wang, 2015). Organizations can determine share by dividing their total sales by the total sales of the entire sector or market in which they sell. A corporation that keeps its market share over time grows its revenues at the same rate as its competitors. However, a rise indicates a faster, market-leading increase in revenue (Regnier & Ridley, 2015).

Organisational Profit

The ability of a given organisation to produce a return from its use might be characterized as organizational profit (Ball, Gerakos, Linnainmaa & Nikolaev, 2015). The ability of a company to make profit is referred to as organizational profit. Pinho, Rodrigues and Dibb (2014) defined organizational profit as an organization's ability to produce profits from sales, achieve a desired return on investment, and the human resources employed to manage business operations. Chen, Jiao and Harrison (2019) concurred with this approach, stating that organizational profit is the ability of an investment to generate earnings as a result of its successful usage. According to Bátiz-Lazo and Billings (2012), the indices used to analyze the degree to which businesses supply innovative items that result in a competitive advantage are called organizational profit. Muya and Gathogo (2016) defined firm organisational profit as the ability to generate long-term financial rewards or earnings by effectively utilizing firm resources (man, machine, material, money, competencies, and information, among others) over time through a well-coordinated management process and effective decision-making.

Organisational profit is critical for a business's long-term survival and success. Another trait of a successful corporation is its willingness to entice new buyers to investigate a product line for the sake of profit (Tan, Floros, & Anchor, 2017). Organizational profit is crucial to a corporation's performance because its primary purpose is to increase shareholder capital. As a result, profitable firms provide a fair return on investment to their owners (return on capital employed). It's also worth emphasizing that companies that aren't profitable are unlikely to grow, as reinvestment and expansion efforts can only be funded by earnings accumulated through time (Sucuahi & Cambarihan, 2016). As a result, business organization profit is a crucial indicator in many financial statements, as it shows how effective management efforts are. As a result, some analysts believe profit-driven businesses have the best chance of survival. The ability of a corporation to endure is determined by its ability to increase its sustainability.

Human Capital Development and Growth

There have been diverse studies on human capital development and growth in different research context with mixed findings. In the study of Afrah (2016), a self-administered questionnaires was used to collect the data from the respondents and then evaluated by utilizing descriptive statistics with the help of SPSS. The findings discovered that the role of human capital on organizational performance is an important for progressing the organization’s profitability, what is more, organizations boast for the human capital they have. In the long run, HR practice plays a significant role in building the capacity of the employees. Michael and Zaid (2014) investigated the impact of human capital development on organizational performance in the Nigerian banking sector, with a particular to the state of Osun. They based their study on questionnaire as a research tool instrument using judgmental and simple random sampling techniques. The study found that there is significant relationship between human capital development and organizational performance in the banking sector. The study also discovered that Nigerian financial sector has the best workforce, in terms of knowledge, skills, attitude, competence and ability to be able to meet the challenges of dynamics in the economy.

Afrah (2016) did an examination on the part of human capital development on organizational performance: Case Study Benadir University, Mogadishu, Somalia. The discoveries found that the part of human capital on organizational performance is an essential for advancing the organization's benefit, furthermore, organizations brag for the human capital they have. Over the long haul, HR rehearse assumes a huge part in building the limit of the employees; in this way, this examination gives commitment of the part of human capital development on organizational performance. The examination reasons that the investigation found that there is a positive connection between human capital and Benadir University. The examination prescribes that use of a solitary organization configuration restricts its generalizability to different organizations. Ojokuku and Sajuyigbe (2015) did an investigation on the impact of human capital development on the performance of little and medium scale ventures in Nigeria. The discoveries demonstrated that human capital development factors have critical impact on SMEs performance. The coefficient of relationship (R) = 0.921; the coefficient of assurance (R2) = 0.849; and the standard blunder gauge of 0.31254, demonstrated that 84.9% of the examined SME's performance can be related with the advancement of at work training; level of formal instruction; level of cooperation in classes, gatherings and workshops, and level of investment in exchange fairs and displays, as methodologies of human capital development for the SMEs' employees. The paper in this manner prescribes that SME administrators ought to effectively advance interest in courses, exchange fairs, workshops and displays with a specific end goal to get present learning that will emphatically affects performance of the SMEs and improve their ability for development and survival.

Sowunmi, Eleyowo; Salako and Oketokun (2015) completed an exact examination on human resource development as a relate of performance of the managing an account industry in Ogun State, Nigeria. The discoveries additionally demonstrated that training programs have beneficial outcome on the performance of business bank staff. The examination placed that the new age banks spent more on human resource development contrasted with old age banks. The quantity of staff trainings and term of trainings were low and most trainings were in-house. The requirement for management of business banks to empower staff training so as to upgrade their money related performance and in addition the performance of employee is suggested. Old age banks are encouraged to build their yearly spending plan on staff training. Ajisafe, Orifa and Balogun (2015) completed an experimental survey because of human capital management on organizational performance in Ondo town, Nigeria. The discoveries from the investigation demonstrated that human capital management affects organizational performance. It is suggested in addition to other things that training and development projects ought to be organized in the saving money industries and specialists ought to be made to build up their professions by guaranteeing their employer stability and not simply being utilized for the organizational development; but rather later surrendered being pointless and useless.

Theoretical Framework

The human capital theory was used as the underpinning theory for this investigation. Human capital theory states that more education and skill training can boost a person's productive capability. Intellectual and human capital are treated as renewable sources of productivity. Organizations try to cultivate these sources, hoping for added innovation or creativity. Sometimes, a business problem requires more than just new machines or more money. Individuals, according to this notion, add value to a company. People are seen as assets, and it underlines those businesses that invest in their personnel will reap the benefits. Human Capital Theory (HCT) states that investing in human capital will result in higher economic outputs, although its validity can be difficult to verify and contradictory. Human capital theory is based on the notion that formal education is both beneficial and required for improving a population's productive potential. Human capital theorists suggest that a productive population is one that is educated. Education improves the degree of cognitive stock of economically productive human aptitude, which is a product of intrinsic abilities and investment in human people, according to human capital theory.

3. Methodology

The research adopted a survey research design for the study. This method was used because it explains the link among the variables of study and describes characteristics related to the population in order to give a specific picture of a given marvel. The target population comprised of manufacturing companies in Lagos State. The units of analysis were 2,355 employees from the three selected manufacturing companies listed in the Nigeria Stock Exchange. The study was conducted in; Dangote Sugar Refinery Plc, Unilever Nigeria Plc and Honeywell Flour Mills Plc. These manufacturing companies are selected due to the fact that they have large number of employees, also, they have survived the so called harsh operating environment in Nigeria and have continued to dominate the Nigerian manufacturing industry. They are of good-size and have lots of employees. The sample size of this study was 418 staff which was determined through the use of a formula derived by Research Advisors (2006). Simple random sampling technique was used in this study because is ensures that everyone in the population has an equal chance. Also, it is free of categorization mistakes, and is suitable for data analysis, including the use of inferential statistics. Questionnaire was used to obtain data from the employees of the respective manufacturing companies at their work places. The reliability of the instrument was determined by internal consistency method using Cronbach alpha coefficient. Organisational Output (0.755), Market Share (0.846), Organisational Profit (0.784), Employee Work Experience (0.874), Employee Training (0.779), Employee Compensation (0.838). Results shows that all the variables were reliable since the Cronbach alpha was above 0.7 which was used as a cut-off of reliability for the study. Simple regression analysis was applied to find the specific effect of independent variable on the dependent variable.

4. Result and Discussion

The study collected data on employees from the selected manufacturing companies. The researchers distributed a total of 418 copies of questionnaire to the respondents, from which 400 copies were rightly filled and returned to the researcher. The response rate of the participants to the questionnaire administered is 95.7 percent of the targeted respondents. The analysis was conducted by using the inferential statistics and the results of the analysis are presented in Tables. The hypotheses test was conducted with a 95 percent confidence interval, assuming a significance level of 0.05. The decision rule is placed at a crucial area of p > 0.05 for null hypothesis acceptance and p<0.05 for null hypothesis rejection.

Hypothesis Testing

Hypothesis 1

$H_0$1: Employee work experience has no significant effect on organizational output of selected manufacturing companies in Lagos State, Nigeria.

To test this, regression analysis was carried out between employee work experience and organizational output. The results are as shown in Table 4.1.

Table 4.1 Summary of regression of the effect of work experience on the organizational output of selected manufacturing companies in Lagos State, Nigeria

Variables	***B***	***T***	***Sig***	***R***	***R^2***	**Std. Error of the Estimate**
(Constant)	22.746	23.800	.000	.056[a]	.003	3.022
Employee Work Experience	0.045	1.122	.263			
a. Dependent Variable: Organisational Output						

Source: Field Survey, 2022

The results presented in Table 4.1 shows that employee work experience has a positive but insignificant effect on organizational output of selected manufacturing companies in Lagos State, Nigeria with a coefficient and probability value of $\beta = 0.045$, and $p > 0.05$ respectively. This indicated that, an increase in employee work experience will slightly enhance organizational output of selected manufacturing companies. This is supported by coefficient of determination also known as the *R* square of 3%. This means that employee work experience explains 3% of the variations in the organizational output (dependent variable) of selected manufacturing companies. The coefficient value showed that, an improvement in employee work experience by one unit, leads to an increase in organizational output by 0.045 units. However, the t-statistics of 1.122 and $p > 0.05$ indicates that, employee work experience is not a significant predictor organizational output in selected manufacturing companies in Lagos State. Therefore, the null hypothesis one ($H_0$1) which states that employee work experience has no significant effect on organizational output of selected manufacturing companies in Lagos State, Nigeria cannot be rejected. The findings of hypothesis one revealed that employees of selected manufacturing companies have failed to gather wide experience from their jobs which in turn have not enable them to further increase their productivity within the organisations. This situation may be connected to the poor level of staff motivation across the selected companies because people who have work experience and high work motivation will try their best so that their work can succeed as well as possible, and will form their own performance and of course will improve work performance. The result similarly informed that Carter, Danford, Howcroft, Richardson, Smith, and Taylor (2015) who concluded that strengthening the employee experience has numerous advantages that are all associated with employee job satisfaction leading to higher growth, profits and better marketplace positioning. The finding of this hypothesis disagrees with majority of scholarly literature on the relationship between work experience and organisation productivity such as Wirawan, Bagia and Susila (2019), Pamungkas, Hamid, and Prasetya (2017), Kumbadewi, Suwendra, Susila and Sei (2016), by Lengkong et al (2019), and Basyit, Sutikno and Dwiharto (2020) all which found that work experience has a positive and significant effect on employee productivity.

Hypothesis 2

$H_0$2: Employee training has no significant effect on market share of selected manufacturing companies in Lagos State, Nigeria.

To test this, regression analysis was carried out between employee training and market share at the workplace. The results are as shown in Table 4.2.

Table 4.2: Regression analysis of employee training on market share of selected manufacturing companies in Lagos State, Nigeria

Variables	*B*	*T*	*Sig*	*R*	R^2	Std. Error of the Estimate
(Constant)	20.627	21.341	.000	.117[a]	.014	3.792
Employee Training	0.101	2.354	.019			
a. Dependent Variable: Market Share						

Source: Field Survey, 2022

The result shows that employee training positively and significantly affects market share with a coefficient and probability value of $\beta = 0.101$, and $p < 0.05$ respectively. This implied that, an increase in employee training will enhance market share in the selected manufacturing companies. The coefficient of determination (R^2) was 0.014 indicated that, about 1.4% of variation or change in market share of the selected manufacturing companies is attributable to employee training. The coefficient value showed that, 1-unit increase in employee training will lead to 0.101 increase in market share. This indicated that employee development is capable of reducing counterproductive behaviour of employees in the selected manufacturing companies. The T-statistics of 2.354, $p < 0.05$ revealed that employee training was significant in predicting market share in the selected manufacturing companies. This implied that the null hypothesis two ($H_0 2$) was rejected hence employee training has a significant effect on market share of selected manufacturing companies in Lagos State. The finding agrees to that of Purwanto and Prasetya (2021) who found that coaching has a significant effect on employee performance. Similarly, training and development was found to have significant effect on employee performance. The findings corresponded with Al Karim (2019), who found that Orientation Training (OT), Career Development Training (CDT), and Environment, Health & Safety Training (EHST) have significant impact on Employee Performance (EP) while there has no significant relation between Job Training (JT) and Employee Performance (EP). It also informs that of Butali and Njoroge (2017) who uncovered that training and development had a significant effect on organizational performance. The study further showed that affective commitment, continuance commitment and normative commitment moderated the relationship between training and development and organizational performance.

Hypothesis 3

$H_0 3$: Employee compensation has no significant effect on organisational profit of selected manufacturing companies in Lagos State, Nigeria.

Table 4.3: Regression analysis of employee compensation on organisational profit of selected manufacturing companies in Lagos State

Variables	*B*	*T*	*Sig*	*R*	R^2	Std. Error of the Estimate
(Constant)	17.889	14.990	.000	.221[a]	.049	3.693
Employee Compensation	0.225	4.515	.000			
a. Dependent Variable: Organisational Profit						

Source: Field Survey, 2022

The result on Table 4.3 revealed that, employee compensation positively and significantly affects organisational profit of selected manufacturing companies in Lagos State with a coefficient and probability value of $\beta = 0.225$, and $p < 0.05$ respectively. This implied that, an increase in employee compensation will increase organisational profit of selected manufacturing companies. According to Table 4.3, the R-Square value = 0.049. This therefore means that employee compensation explains 4.9% of the variation in organisational profit. Moreover, results showed that employee compensation and organisational profit were

positively and significantly related (r=0.221, p=0.000). This means that an improvement in employee compensation by one percent, leads to an increase in organisational profit by 22.1%.
The coefficient value showed that, 1-unit increase in employee compensation will lead to 0.225 increase in organisational profit. This indicated that employee compensation is an important determinant of organisational profit in the selected manufacturing companies. The T-statistics = 4.515, $p < 0.05$ revealed that, the variable specified is a significant predictor. Based on these results, the null hypothesis three ($H_0$3) which states that employee compensation has no significant effect on organisational profit of selected manufacturing companies in Lagos State, Nigeria was rejected. The result is consistent to that of Ghafoor, Khan and Aslam (2011) who claimed that Hameed, Ramzan and Zubair (2014) who claimed compensation has positive impact on employee performance. Jean, Ngui and Robert (2017) opines that reasonable salary, benefits in form of bonuses and allowances and recognition through certification or verbally promoted employee performance. In conclusion a very high disagreeing response on regular pay within the organization implies that employees were well aware of this and that it was actually happening. The result informs that of Satka (2019) who observed that employee compensation had a favourable impact on their productivity. According to the study, the financial criterion in the payment system should not be too tough to attain, or the employees' enthusiasm and motivation would be lowered, reducing their productivity.

5. Conclusion and Recommendations

Based on the findings and hypothesis tested, the study concluded that human capital development through employee training and employee compensation has a positive and significant relationship with firm growth. The study also concluded that employees' experience in selected manufacturing companies has an insignificant effect on organizational output. Ratnawati, Sukidjo and Efendi (2020) believe that employee work experience is a period of time during which an employee works for a company or organization in order to get experience of a particular type of work. The employee experience is foundational to business performance. The finding of this study uncovered that employee work experience did not enhance organizational output in the selected manufacturing companies which was attributed to low level of staff motivation with the companies. Employee training had a significant effect on market share of selected manufacturing companies. It was also discovered that employee compensation is a significant predictor of organisational profit in the selected manufacturing companies in Lagos State. The study concludes that if the right employees are sent on training through the systematic training procedure of identifying and selecting employees for training, there would be a significant improvement on the organizational performance. Therefore, for organizations to become more productive and remain in business. to improve the firm growth, the leader of the selected manufacturing companies should improve the staff competence according to the company's expectation; providing training to the employee by emphasizing on the hard skills and soft skills, as well as expertise skill; understand the amount of compensation in accordance with the environment of the manufacturing industry in Nigeria in order to encourage the employees in improving their performance. Thus, the organizational growth can be achieved well. In addition, the managers of selected manufacturing should create a mechanism for proper assessment and evaluation of employee performance after training.

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