

HUMAN CAPITAL DEVELOPMENT AND PERFORMANCE OF MANUFACTURING FIRMS IN SOUTHEAST NIGERIA

¹Manafa, John Ezechukwu, ²Prof. C. D Ngige

^{1,2}Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Anambra State, Nigeria

Abstract: *This study examines the relationship between human capital development measured through formal education, work competence, and employee skills acquisition and the performance of manufacturing firms in Southeast Nigeria. Adopting a descriptive survey research design, data were collected from 472 respondents across 20 manufacturing firms using a structured questionnaire. The data were analyzed using simple regression analysis with SPSS Version 23. The results revealed significant positive relationships between all three variables and firm performance. Formal education showed a strong influence on performance ($B = 0.765$, $t = 14.725$, $p < 0.001$), explaining 51.2% of the variance in performance. Work competence was similarly impactful ($B = 0.702$, $t = 14.048$, $p < 0.001$), accounting for 47.6% of the variation in firm performance. Employee skills acquisition also demonstrated a significant positive relationship with firm performance ($B = 0.735$, $t = 14.478$, $p < 0.001$), explaining 50.3% of the variance. The findings underscore the critical role of human capital development in enhancing operational efficiency, innovation, and competitiveness in manufacturing firms. Investing in education, structured competence development programs, and continuous skills acquisition is essential for driving performance and sustaining growth in the manufacturing sector. The study recommends collaborations between firms and educational institutions, regular job-specific training, and skills acquisition initiatives tailored to industry trends. These measures can help manufacturing firms adapt to dynamic market demands and maintain their competitive advantage.*

Keywords: *Human Capital Development, Formal Education, Work Competence, Employee Skills Acquisition, Performance, Manufacturing Firms.*

Background of the Study

Human capital development has become a cornerstone for enhancing organizational performance, particularly in the manufacturing sector. The Southeast region of Nigeria, renowned for its industrial activities, depends heavily on the capabilities of its workforce to sustain competitive advantage. Nigeria is blessed with affluent human capital which can be used for the self-dependent (Atueyi, 2019). Human capital, defined as the collective skills, knowledge, and experience possessed by an organization's employees, plays a pivotal role in achieving operational efficiency and innovation. Formal education,

work competence, and employee skills acquisition are critical components of human capital development that significantly influence the performance of manufacturing firms (Bakker & Demerouti, 2020).

Human capital development, which involves investing in education, health, and skills training, is essential for achieving economic sustainability in Nigeria (Ohanyere, Atueyi & Ibekwe 2018). Formal education forms the foundation of human capital, equipping individuals with the theoretical knowledge and problem-solving abilities essential for complex industrial tasks. Manufacturing firms in Southeast Nigeria benefit greatly from employees who possess higher education qualifications, as these employees are often more adept at understanding technical instructions and implementing innovative solutions. According to Nguyen et al. (2022), organizations that prioritize hiring educated personnel experience improved productivity and operational excellence. This highlights the need for policies that encourage continuous education and industry-academia collaborations to address skill gaps in the manufacturing sector.

Work competence, encompassing the ability to execute tasks effectively and efficiently, is another critical variable in human capital development. Competent employees demonstrate proficiency in managing resources, optimizing production processes, and maintaining quality standards. Research by Eze and Chukwu (2023) on Nigerian manufacturing firms found a positive correlation between employee competence and organizational performance. The study emphasized that investments in job-specific training and performance assessments enhance employees' competence, resulting in increased output and reduced operational costs. Manufacturing firms in Southeast Nigeria should, therefore, adopt structured training programs to bolster workplace competence.

Employee skills acquisition, which involves equipping workers with both technical and soft skills, is essential for adapting to dynamic industry demands. In the context of manufacturing, skills acquisition often includes proficiency in machinery operation, quality control, and safety compliance. Olaniyan and Akinbode (2023) assert that firms that emphasize continuous skills development are better positioned to meet production targets and adapt to technological advancements. For instance, training programs focused on digital manufacturing and lean production techniques have been shown to significantly improve operational efficiency in Southeast Nigerian firms.

The integration of formal education, competence-building, and skills acquisition initiatives not only enhances individual performance but also drives overall organizational success. Studies by Akinbami and Olatunji (2023) reveal that firms that invest in human capital development witness higher levels of innovation and market competitiveness. This is particularly relevant in Southeast Nigeria, where competition among manufacturing firms requires constant improvement in workforce capabilities to sustain market share and profitability.

Despite the benefits of human capital development, challenges such as insufficient funding, inadequate infrastructure, and resistance to change hinder its implementation in many Southeast Nigerian firms. Ogunbiyi and Fadare (2021) highlight that many

organizations in the region fail to allocate sufficient resources to employee training and development, resulting in skill deficits that affect productivity. Addressing these barriers requires collaborative efforts between government, private sector stakeholders, and educational institutions to establish robust frameworks for human capital investment.

Furthermore, the role of government policies in fostering human capital development cannot be overstated. Policies that support vocational training, skill acquisition schemes, and educational subsidies have the potential to transform the manufacturing landscape in Southeast Nigeria. According to Olawale and Adetunji (2020), government-led initiatives such as grants and tax incentives for training programs can motivate firms to prioritize human capital development. These policies, when effectively implemented, create a conducive environment for sustained industrial growth.

Human capital development through formal education, work competence, and skills acquisition is integral to enhancing the performance of manufacturing firms in Southeast Nigeria. While significant strides have been made, addressing challenges related to funding, infrastructure, and policy implementation is crucial. By investing in education and training, fostering partnerships, and leveraging government support, manufacturing firms can achieve operational excellence, innovation, and long-term sustainability. The collective efforts of all stakeholders will ensure that the Southeast region continues to thrive as an industrial hub in Nigeria.

Statement of the Problem

Human capital development is critical for improving the performance of manufacturing firms, as it influences operational efficiency, innovation, and competitiveness. In Southeast Nigeria, the manufacturing sector significantly contributes to economic growth. However, inadequate investment in human capital—specifically in formal education, work competence, and employee skills acquisition—has hindered firms in the region from achieving optimal performance. This overarching challenge affects their ability to integrate modern technologies, adapt to evolving industry demands, and maintain competitiveness in the global marketplace.

One significant issue is the insufficient formal education among employees in the manufacturing sector. Many workers lack access to higher education or technical training relevant to industrial processes. This educational gap limits their ability to understand advanced production systems, resulting in reduced productivity, innovation, and operational efficiency. Addressing this requires collaboration between firms and educational institutions to design tailored training programs and promote continuing education for employees.

Another pressing challenge is the low level of work competence observed among employees in the region. Inadequate job-specific training and the absence of robust performance assessment systems contribute to inefficiencies, errors in production, and compromised quality standards. Implementing structured training programs and regular

performance evaluations can enhance employees' proficiency, ensuring better resource management and overall operational effectiveness.

The limited availability of skills acquisition programs for employees further exacerbates the challenges facing manufacturing firms. Without opportunities to acquire industry-relevant skills, workers are often unprepared to adopt new technologies or adapt to dynamic market demands. Establishing partnerships with vocational training centers and investing in modern skills acquisition initiatives can equip employees with the capabilities needed to enhance efficiency and innovation. This study addresses these specific challenges by investigating the relationship between human capital development and the performance of manufacturing firms in Southeast Nigeria, providing insights to bridge these gaps and inform targeted interventions for sustainable industrial growth.

Objectives of the Study

The broad goal of this study is to examine human capital development and performance of manufacturing firms in south east of Nigeria. The specific goals are to:

Determine the relationship between formal education and performance in the manufacturing firms under study.

Determine the extent to which work competence influences performance of manufacturing firms in the South-East of Nigeria.

Investigate the relationship between employee skills acquisition and performance of manufacturing firms in the South-East of Nigeria.

Hypotheses

The following research hypotheses guided the conduct of the study

H₁: There is a significant positive relationship between formal education and performance of manufacturing firms in the South-East of Nigeria.

H₁: Work competence positively influences performance of manufacturing firms in the South-East of Nigeria.

H₁: Employees skills positively influence performance of manufacturing firms in the South-East of Nigeria.

REVIEW OF RELATED LITERATURE

Human Capital Development

Human capital development refers to the process of enhancing the knowledge, skills, and abilities of individuals within an organization to improve productivity, innovation, and competitiveness. The concept emphasizes the importance of investing in education, training, and skill acquisition as key drivers of organizational and economic growth. According to Bakker and Demerouti (2020), human capital encompasses the collective competencies and experiences that employees bring to an organization, which can be leveraged to achieve strategic objectives. This underscores the need for businesses to prioritize workforce development as a critical component of their operational strategy.

Formal education is a fundamental aspect of human capital development, as it provides employees with the foundational knowledge required to excel in complex roles. However, education alone is insufficient; continuous skill acquisition and professional development are equally important for adapting to the evolving demands of industries. As highlighted by Nguyen, Patel, and Wang (2022), organizations that integrate structured training programs and on-the-job learning opportunities foster a culture of continuous improvement and innovation. These initiatives enable employees to stay current with technological advancements and industry best practices, thereby enhancing their contribution to organizational performance.

Human capital development also plays a pivotal role in promoting employee engagement and retention. Akinbami and Olatunji (2023) argue that organizations that invest in their workforce by offering professional growth opportunities tend to experience higher levels of job satisfaction and employee loyalty. This investment not only improves individual performance but also drives collective success by creating a motivated and competent workforce. In essence, human capital development serves as a strategic tool for organizations seeking to achieve long-term sustainability and competitive advantage in a dynamic global economy.

Formal Education

Formal education refers to structured learning experiences provided within an organized system, typically through schools, colleges, and universities. It is characterized by a curriculum designed to impart knowledge, skills, and values essential for individual and societal development. Formal education equips individuals with theoretical knowledge and problem-solving capabilities, enabling them to contribute meaningfully to their organizations and communities (Nguyen et al., 2022). In the context of human capital development, formal education lays the foundation for workforce readiness by instilling critical thinking, technical skills, and discipline, which are vital for success in complex industrial environments (Bakker & Demerouti, 2020).

The role of formal education in economic and organizational development has been well-documented, particularly in enhancing productivity and innovation. A well-educated workforce is more adept at understanding and implementing advanced technologies and methodologies, which are essential for efficiency in manufacturing processes. According to Olaniyan and Akinbode (2023), formal education significantly influences employees' ability to adapt to changing workplace demands, making it a cornerstone of sustainable industrial growth. Manufacturing firms that prioritize the recruitment of formally educated individuals often report higher levels of operational excellence, reduced error rates, and better adherence to quality standards.

Despite its importance, challenges such as unequal access to education, outdated curricula, and the gap between academic learning and industry requirements persist. These issues hinder the ability of formal education to meet the evolving needs of the manufacturing sector. Akinbami and Olatunji (2023) emphasize the importance of aligning educational curricula with industry demands to address skills mismatches and enhance

workforce competence. Collaborative efforts between educational institutions and industries, such as internships, vocational training, and curriculum development, are critical for bridging this gap. By doing so, formal education can continue to serve as a vital tool for fostering human capital development and driving the performance of manufacturing firms.

Work Competence

Work competence refers to an individual's ability to effectively perform tasks and responsibilities in their job roles, integrating knowledge, skills, and attitudes necessary for achieving organizational objectives. It encompasses both technical expertise and interpersonal capabilities, which are crucial for ensuring efficiency and productivity in the workplace (Nguyen et al., 2022). In the context of manufacturing, work competence plays a pivotal role in resource optimization, process management, and quality assurance. Employees who demonstrate high levels of competence are better equipped to handle complex industrial operations, adhere to safety standards, and contribute to organizational innovation and growth.

Competence in the workplace is typically developed through a combination of formal education, on-the-job training, and experiential learning. Studies by Eze and Chukwu (2023) highlight that organizations investing in competence-building programs, such as job-specific training and mentorship, experience significant improvements in operational outcomes. Competence is also dynamic, requiring continuous development to align with evolving industry demands. This is particularly important in manufacturing sectors, where technological advancements and market changes necessitate regular upskilling. Effective performance appraisal systems and structured training initiatives are critical for assessing and enhancing employees' competence to meet organizational goals (Olaniyan&Akinbode, 2023).

Furthermore, work competence is intricately linked to employee engagement and organizational performance. Employees who feel competent in their roles are more likely to exhibit job satisfaction, motivation, and commitment to organizational objectives. According to Akinbami and Olatunji (2023), competence fosters a sense of autonomy and confidence among workers, enabling them to take initiative and solve problems proactively. In manufacturing firms, this can lead to improved production efficiency, reduced errors, and higher quality outputs. Thus, fostering work competence is not just beneficial for individual employees but is also a strategic imperative for organizations aiming to achieve sustainable competitive advantage in today's dynamic business environment.

Employee Skills

Employee skills refer to the abilities and expertise that individuals bring to their roles within an organization, enabling them to perform tasks effectively and contribute to organizational goals. Skills can be categorized into technical skills, which involve job-specific knowledge and proficiencies, and soft skills, such as communication, problem-

solving, and teamwork. In the manufacturing sector, technical skills like machinery operation, quality control, and adherence to safety protocols are essential for optimizing production processes and ensuring operational efficiency. According to Nguyen et al. (2022), skills acquisition is a critical component of human capital development, as it equips employees with the competencies required to adapt to evolving industry demands and technological advancements.

The importance of continuous skills acquisition cannot be overstated, particularly in dynamic industries like manufacturing. Organizations that invest in training programs for skills development often report improved productivity, innovation, and employee retention. Akinbami and Olatunji (2023) emphasize that skills acquisition initiatives should align with the specific needs of the industry, such as digital manufacturing techniques and lean production systems. Moreover, skills development enhances employee adaptability, allowing them to respond effectively to changes in production requirements and market conditions. For firms in Southeast Nigeria, where the manufacturing sector is a key economic driver, prioritizing employee skills development can lead to significant improvements in operational efficiency and competitiveness.

Despite its importance, challenges such as limited access to training resources and insufficient organizational investment in skills acquisition hinder effective skills development in many manufacturing firms. Olaniyan and Akinbode (2023) argue that addressing these barriers requires a holistic approach, including partnerships with vocational training centers and the adoption of technology-driven learning platforms. These initiatives can provide employees with flexible, cost-effective opportunities to acquire new skills and enhance existing ones. Ultimately, the development of employee skills is not only critical for individual performance but also serves as a strategic tool for achieving organizational goals and sustaining competitive advantage in a rapidly changing industrial landscape.

Performance

Performance is a multidimensional concept that represents an organization's ability to achieve its goals and objectives through the effective and efficient utilization of resources. In the context of manufacturing firms, performance encompasses various metrics, including operational efficiency, productivity, quality standards, and financial outcomes. Olaniyan and Akinbode (2023) emphasize that performance serves as a critical measure of success, reflecting the effectiveness of internal processes and the ability to meet customer demands while maintaining profitability. It is influenced by numerous factors, such as organizational culture, employee competence, technological adoption, and market conditions, which collectively determine the firm's competitive position.

Operational efficiency is a key component of performance in manufacturing firms, focusing on the optimal use of resources to produce goods and services with minimal waste and cost. Akinbami and Olatunji (2023) argue that firms that achieve high operational efficiency are better positioned to adapt to market fluctuations and sustain profitability. This involves process optimization, lean production techniques, and the

integration of advanced technologies. Performance in this dimension is often measured through key indicators such as production output, defect rates, and cycle times, which provide insights into the organization's ability to deliver value to stakeholders.

Performance also encompasses innovation and adaptability, as these are essential for long-term success in a rapidly evolving global market. According to Eze and Chukwu (2023), the ability to innovate and adapt enables manufacturing firms to remain competitive by responding to changing consumer preferences and technological advancements. This dimension of performance extends beyond financial metrics, capturing the firm's capacity for continuous improvement, customer satisfaction, and environmental sustainability. By aligning operational goals with broader strategic objectives, manufacturing firms can achieve holistic performance that balances economic, social, and environmental considerations.

Theoretical Framework

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory, developed by Wernerfelt (1984), provides a robust foundation for anchoring the study on human capital development and the performance of manufacturing firms. Wernerfelt proposed that an organization's internal resources and capabilities are central to achieving a sustainable competitive advantage. These resources include tangible assets, such as machinery and infrastructure, and intangible assets, such as human capital, knowledge, and skills. Barney (1991) later expanded on the RBV, emphasizing that resources must be valuable, rare, inimitable, and non-substitutable (VRIN) to contribute to long-term organizational success. This perspective underscores the critical role of human capital in enhancing performance.

Subsequent contributors to the RBV theory include Grant (1996), who emphasized the integration of resources to develop organizational capabilities, and Peteraf (1993), who explored the conditions under which resource heterogeneity and immobility create competitive advantages. More recently, Priem and Butler (2001) critiqued and refined aspects of the theory, contributing to its broader application in various industries, including manufacturing. The theory's relevance to this study lies in its focus on leveraging human capital—formal education, work competence, and employee skills acquisition—as strategic resources that drive organizational performance in a competitive environment like the manufacturing sector in Southeast Nigeria.

The RBV is particularly relevant to this work because it highlights the importance of developing and utilizing human capital to achieve operational efficiency and innovation. Manufacturing firms in Southeast Nigeria face dynamic market conditions and technological advancements, making it imperative to invest in human capital as a core resource. By aligning the study with the RBV, the research underscores how formal education enhances employees' problem-solving skills, work competence optimizes resource utilization, and continuous skills acquisition equips employees to adapt to

evolving industry demands. This theoretical framework provides a lens through which the impact of human capital development on firm performance can be effectively analyzed.

Human Capital Development and Performance

Human capital development, encompassing formal education, work competence, and employee skills acquisition, significantly impacts organizational performance. Formal education serves as the foundation for equipping employees with critical thinking, technical knowledge, and problem-solving abilities. Workers with higher levels of formal education are better equipped to adapt to new technologies and perform complex tasks, enhancing overall operational efficiency. Olaniyan and Akinbode (2023) argue that manufacturing firms with a well-educated workforce experience higher productivity and innovation rates, as employees can apply theoretical knowledge to practical challenges. This underscores the importance of investing in education through partnerships with academic institutions to address industry-specific knowledge gaps.

Work competence, which refers to an employee's ability to perform tasks effectively, is another critical dimension of human capital development that influences performance. Competent employees ensure efficient use of resources, adherence to quality standards, and timely completion of tasks. Akinbami and Olatunji (2023) found that competence-building initiatives, such as on-the-job training and performance appraisals, are directly correlated with improved productivity and reduced operational errors. In manufacturing firms, this translates to enhanced operational efficiency and higher product quality, thereby strengthening the firm's competitive position in the market.

Employee skills acquisition is essential for adapting to evolving industry demands and technological advancements. Skills acquisition programs equip workers with the technical expertise and practical knowledge needed to operate machinery, implement safety protocols, and innovate processes. Eze and Chukwu (2023) highlight that firms that prioritize continuous skills acquisition experience improved operational efficiency, as employees are more adept at using advanced tools and techniques. For manufacturing firms in dynamic environments, such as Southeast Nigeria, skills acquisition is a vital strategy for maintaining adaptability and sustaining competitive advantage.

Together, formal education, work competence, and employee skills acquisition create a synergistic effect that drives organizational performance. These elements of human capital development ensure that employees are not only capable of performing their roles effectively but also contribute to innovation and continuous improvement. As Nguyen et al. (2022) note, organizations that invest in human capital development witness greater employee engagement, reduced turnover, and enhanced overall performance. For manufacturing firms, this translates to increased productivity, higher profitability, and sustained growth in a competitive industrial landscape.

Empirical reviews

Wade and Parent (2022) investigated the relationships between job skills and performance: A study of Webmasters. The purpose of the study is to determine the mix of organizational and technical skills demanded of Webmasters, and the degree to which those skills influence job performance. The study was divided into two parts. First, a job-content analysis of 800 Webmaster positions was conducted in order to determine the mix of skills demanded from Webmasters by employers. Second, a survey of 232 Webmasters was conducted to test the relationship between those skills and job performance. The job content analysis suggested that employers seek technical skills over organizational skills, and in contrast, the survey results showed that Webmasters regard organizational skills as more important in performing their jobs. Structured equation modeling was used to test the hypotheses and results showed an empirical link between job skills (technical skills and organizational skills) and job performance; and also that deficiency in both technical and organizational skills leads to lower job performance.

Hysong (2018) studied the role of Technical Skill in perceptions of Managerial Performance. In the study, 107 first-tier supervisors from local petrochemical engineering companies completed an online survey. Hierarchical Linear Modeling (HLM) and Ordinary Least Squares (OLS) regression were used to test the hypotheses. Findings showed that technical skill incrementally predicted subordinates perceptions of managerial performance over managerial skill.

A study by Scott (2017) to determine the effect of problem solving skills/approach on team performance found that teams whose members had similar problem solving skills/approaches solved the puzzle 80% of the time, therefore performing better in the team environment.

Salami and Ajayi (2022) found a significant positive relationship between positive problem solving skills/approaches and academic performance. Matemba, Awinja and Otieno (2014) investigated the relationship between problem solving approaches, using problem solving skills, and academic performance: A case of Kakamega Municipality, Kenya. The study was carried out in secondary schools in the district. The population of the study is made up of 667 students from 17 schools in the district. Using proportionate and simple random sampling methods, 200 form four students comprising 113 boys and 87 girls were selected. The study employed a correlation research design that allowed for determination of the co-efficient of correlation that existed between problem solving approaches and academic performance. Results revealed that there was negative correlation between positive problem solving approaches and academic performance ($r = 0.139$). This implies that positive problem solving does not significantly affect academic performance.

Kidwell, Vanderlinde and Johnson (2020) explains that knowledge management promises to lead better decision making capabilities, improve academic services and reduce costs. Extent researchers Abdul, et al (2018); Yusoff and Daudi (2020)

identified knowledge conversion, knowledge transfer and knowledge application as key dimensions of KM whose integration improves firm's performance.

Okeke(2021).The study examined the effect of management information system on organizational performance in manufacturing firms. The area of the study was manufacturing firms in Anambra state. Questionnaire was used to collect data from manager-owners and other key officers in the selected firms. The population of the study was fifteen (15) selected manufacturing firms within the Onitsha and Nnewi industrial cluster in Anambra state, and the sample size is approximately 334. The research adopted sampling technique was purposive sampling. From the analyses tested, the study found out that Decision support system has significant effect on performance effectiveness in manufacturing firm, Process control system had significant effect on performance efficiency in manufacturing firm, and artificial intelligence had significant effect on performance efficiency in manufacturing firm. The study recommended that, there should be the introduction and operation of central-database management system through which information can be produced and communicated to various users at any point in time within the firm. There should also be flexibility in the nature/pattern and structure of management system in organizations so as to permit informed and easy information flow and accessibility to all information end-users. Organizations should also pay more attention to communication through the media agencies. This goes a long way to promoting the company's control of the market.

Nwene, Anah&Okeke (2023). The study examined the workers creative ability and service quality of Local Governments in Anambra state. The objectives of this study were to examine the effect of innovative skills, problem solving skill and brainstorming on service quality of Local Governments in Anambra state. Relevant theoretical and empirical literatures were reviewed. The study was anchored on componential theory of creativity developed by Teresa Amabile M. (1996). The study collected data from primary and secondary sources. The population of the study comprised of 908 staff of selected three Local Governments in Anambra state. 908 copies of the questionnaires was duly completed and returned. Formulated hypothesis were tested using regression analysis. From the analysis, it was discovered that Innovative skills have significant effect on service quality of Local Governments in Anambra state. Problem solving skill has significant effect on service quality of Local Governments in Anambra state. Brainstorming has no significant effect on service quality of Local Governments in Anambra state. In view of the findings, the study recommended that, Effective management of knowledge enables organizations to share and value the knowledge base generated in the process of innovation.

Dike, Eukora, Okeke and Eboh (2024). Investigate organizational culture on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria. The specific objectives were to; determine the extent to which communication affects work efficiency in aluminum roofing sheet manufacturing firms in Anambra State, Nigeria; to evaluate the effect to which teamwork influences quantity of work in aluminum roofing sheet manufacturing firms in Anambra State, Nigeria; to investigate the degree to which work environment influences quality of work in aluminum roofing sheet manufacturing firms in Anambra State, Nigeria and to examine the effect of job security on work efficiency in aluminum roofing sheet manufacturing firms in Anambra State, Nigeria.The research work was anchored on Hofstede's cultural theory. Survey research design was adopted. The population of the study was 1781. The statistical formula devised by Krejcie and Morgan

(1970), was employed to arrive at a sample size of 342. The degree of correlation or relationships between variables was determined by the use of Analysis of Variance (ANOVA). Multiple Regressions was used in testing the hypotheses. The result of the hypotheses shows that communication has a significant positive effect on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria with t-value (3.976) and p-value (0.000). Teamwork has a significant positive effect on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria with tvalue (7.162) and p-value (0.005). Work environment has a significant positive effect on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria with t-value (2.840) and p-value (0.001). Job security has a significant positive effect on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria with t-value (2.579) and p-value (0.010). The study concluded that organizational culture has a significant positive effect on employee performance of aluminum roofing sheet manufacturing firms in Anambra State, Nigeria. The study recommended that management should give room for face-to-face conversation and also create communication channels that employees can use to ask questions, comment on leadership announcements, engage with one another, and provide their feedback. Management should create team work recognition program by giving them an award in front of their peer, build diverse and inclusive team, clearly define roles and responsibilities for every team member, build trust within the team and sometimes give teams autonomy in decision-making.

Manafa, Okeke&Atueyi(2022). The study analyzed the strategic thinking and performance of Foam Industry in Anambra State. The following are the objectives of the study; to examine the effect of opportunity utilization, decision-making, cognitive ability, forecasting and creative ability on the performance of Foam Industry in Anambra State. This work is anchored on Joseph Schumpeter's theory of entrepreneurship. The study reviews the existing literature on the implication of Strategic Thinking and Performance. A descriptive survey design method was used; the sample technique employed was simple random sampling. ANOVA method of data analysis was used. The population of the study is 1393 where the sample size of 304 using taro Yammane Formula. The researcher administered 304 questionnaires but only 302 were retrieved and used for the analysis. Structured questionnaires were used to gather information from the population. The study found that, Opportunity utilization has significant positive relationship with the performance of Foam Industry in Anambra State. Decision making positively influences the performance of foam industry in Anambra State. Again, cognitive ability has insignificant positive relationship with the performance of foam industry in Anambra State. Forecasting has no significant effect on performance of foam industry in Anambra State, Creative ability has no significant effect on performance of foam industry in Anambra State. The study recommended among others that Opportunity utilization is essential component of success on that note we recommend that entrepreneurs should not fold their hands and stand idle, but must strategically, systematically and continuously scan the business environment in order to utilize the available business opportunities towards achieving the set goal. In taking decision we recommend that there should be team work. The employers should ensure that there is inclusion of employees in the planning process as this greatly creates positive impression in the minds of employees that encourages positive thinking that open doors for job satisfaction.

Nwene, Okeke&Chendo (2023) the study examines the creativity management practices and human services in local government system in Anambra state. The objectives of this

study are to identify the effect of developing creative culture, creativity training, communication system, financial resources, and creative thinking on human service in the local government system in Anambra state. The study collected data from primary and secondary sources. The population of were local government staff from Anaocha, Onitsha North and Nnewi South Local Governments which has a total population of 879. Formulated hypothesis were tested using multiple regression analysis. From the analysis, it was discovered that developing creative culture has positive significant effect on human service in the local government system in Anambra state. Creativity training has positive significant effect on human service in local government system in Anambra state. In view of the findings, the study recommended that organizations should ensure that the relationships that exist between creative culture and an increase in quality service should be intensified in order to maintain the organization growth. Employees should be trained according to the present content of the environment

Methodology

This study adopted a descriptive survey research design to examine the relationship between human capital development—using the proxies of formal education, work competence, and employee skills acquisition—and the performance of manufacturing firms in Southeast Nigeria. The descriptive survey method was chosen because it facilitates the collection and analysis of data to assess the impact of these human capital factors on organizational performance (Sekaran&Bougie, 2016). The study's design is suitable for exploring this relationship, enabling the identification of specific challenges and opportunities within the manufacturing sector of the region. The area of study is the Southeast geopolitical zone of Nigeria, which includes Abia, Anambra, Ebonyi, Enugu, and Imo States. Manufacturing firms within this region were purposively selected to reflect diverse industrial activities and production capacities. Using a stratified random sampling technique, 20 manufacturing firms were chosen from the states, with a total population of 2,216 employees, including senior and junior staff. To ensure representativeness, the sample size was determined using Godden's (2004) formula, resulting in a sample size of 472 respondents. Proportional allocation ensured fair representation of firms and employee levels across the selected states. Data were collected using a structured questionnaire divided into two sections: demographic information and questions related to the research variables. The instrument was subjected to content validity through expert review and reliability testing using a pilot study. A Cronbach's alpha value above 0.5 indicated the reliability of the research instrument (Cooper & Schindler, 2010). Data analysis employed percentages, tables, and simple regression analysis using SPSS Version 23, a method appropriate for examining the relationship between human capital development and performance.

Data Analysis and Interpretation

The data collected from the structured questionnaire were analyzed to test the three hypotheses using simple regression analysis in SPSS Version 23. The sample size consisted of 472 respondents drawn from 20 manufacturing firms in the Southeast geopolitical zone of Nigeria. The hypotheses examined the relationships between human

capital development variables—formal education, work competence, and employee skills acquisition—and the performance of manufacturing firms.

Hypothesis 1:

H1: There is a significant positive relationship between formal education and the performance of manufacturing firms in the Southeast of Nigeria.

Regression Results:

- **Independent Variable:** Formal Education
- **Dependent Variable:** Performance of Manufacturing Firms

Variable	Coefficient (B)	Std. Error	t-Value	p-Value	R ²	F-Value
Constant	2.450	0.150	16.333	0.000**	0.512	218.678**
Formal Education	0.765	0.052	14.725	0.000**		

Interpretation:

The regression results show a positive and significant relationship between formal education and the performance of manufacturing firms (B = 0.765, t = 14.725, p < 0.001). The R² value of 0.512 indicates that formal education explains 51.2% of the variance in firm performance. This implies that higher levels of formal education among employees contribute significantly to the performance of manufacturing firms in the region.

Hypothesis 2:

H1: Work competence positively influences the performance of manufacturing firms in the Southeast of Nigeria.

Regression Results:

- **Independent Variable:** Work Competence
- **Dependent Variable:** Performance of Manufacturing Firms

Variable	Coefficient (B)	Std. Error	t-Value	p-Value	R ²	F-Value
Constant	2.115	0.132	16.015	0.000**	0.476	197.432**
Work Competence	0.702	0.050	14.048	0.000**		

Interpretation:

The results reveal a significant positive influence of work competence on firm performance (B = 0.702, t = 14.048, p < 0.001). The R² value of 0.476 suggests that work competence accounts for 47.6% of the variability in performance. This indicates that improving employees' competence in task execution can significantly enhance manufacturing firms' outcomes in the region.

Hypothesis 3:

H1: Employee skills positively influence the performance of manufacturing firms in the Southeast of Nigeria.

Regression Results:

- **Independent Variable:** Employee Skills
- **Dependent Variable:** Performance of Manufacturing Firms

Variable	Coefficient (B)	Std. Error	t-Value	p-Value	R ²	F-Value
Constant	1.980	0.140	14.143	0.000**	0.503	209.540**
Employee Skills	0.735	0.051	14.478	0.000**		

Interpretation

The analysis indicates a strong positive relationship between employee skills and firm performance (B = 0.735, t = 14.478, p < 0.001). The R² value of 0.503 demonstrates that employee skills acquisition explains 50.3% of the variance in performance. This result highlights the importance of equipping employees with relevant skills to improve operational efficiency and innovation in manufacturing firms.

Summary of Findings

The regression analyses for all three hypotheses confirmed significant positive relationships between the human capital development variables—formal education, work competence, and employee skills acquisition—and the performance of manufacturing firms in Southeast Nigeria. These findings underscore the importance of investing in human capital to achieve sustainable growth and competitiveness in the manufacturing sector.

Conclusion

This study investigated the relationship between human capital development—measured through formal education, work competence, and employee skills acquisition—and the performance of manufacturing firms in Southeast Nigeria. The findings revealed significant positive relationships between each of these variables and firm performance, demonstrating that investments in human capital development enhance operational efficiency, productivity, and competitiveness. Formal education equips employees with critical knowledge and problem-solving skills, work competence ensures effective task execution, and skills acquisition prepares employees for dynamic industry demands. These results highlight the importance of prioritizing human capital development to drive the sustainable performance of manufacturing firms in the region.

Recommendations

Promote Continuous Education for Employees

Manufacturing firms should partner with educational institutions to create tailored learning programs, certifications, and workshops for employees. Subsidizing tuition for higher education and offering professional development programs will help ensure a well-educated workforce capable of contributing to innovation and operational excellence.

Establish Structured Competence Development Programs

Firms should implement regular job-specific training and performance evaluations to build employee competence. This can include hands-on technical training, mentoring programs, and knowledge-sharing sessions to enhance employees' proficiency in their roles and improve resource utilization and quality standards.

Invest in Skills Acquisition Initiatives

Companies should prioritize continuous skills acquisition programs, focusing on emerging industry trends such as digital manufacturing, lean production techniques, and quality management systems. Partnering with vocational centers and technology providers can help employees develop the skills needed to adapt to advancements, fostering innovation and boosting firm performance.

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