Effect of Innovative Human Capital on Organizational Productivity: A Case Study of Some Selected Banks in Delta State

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ABSTRACT
This work look at the effect of innovative human capital on organizational productivity. The study aim to determine (1) the extent at which innovative human capital can enhance productivity in order to reduce poor performance in organization, and to determine if technology affects organization growth. The two research questions and the hypotheses were formulated in line with the objectives of the study. This study therefore examined the effects of innovative human capital on organizational productivity in the Nigerian financial sector, empirical insight from selected leading banks in Delta State, Nigeria. Survey research design was used in the study. Data for the study were gotten from both primary and secondary sources. A total of 50 questionnaires were administered randomly to selected banks. However, only 40 of the administered questionnaires were filled and returned. Based on the analysis, the study found that innovative human capital is very vital to any organization since it is well known that no business can exist entirely without innovative human capital. Based on the findings of the study, the researchers recommend that organization should inculcate the habit of attending seminars and conferences, the company should make sure that the effort of employers are appraised from time to time to find out how they contribute to the achievement of organizational goals and also educational qualification must be a pre-requisite for the recruitment, selection promotion and placement of workers. In short, the processes of innovative human capital unlock the door to modernization.

Keywords: Innovative human capital, organizational productivity, management

INTRODUCTION
The ability to identify and evaluate the competitive advantage of employees’ transferable and innovative characteristics is of importance to firms and policymakers. This research extends the standard measure of human capital by developing a unique and far-reaching concept of innovative human capital and emphasizes its effect on firm innovation and hence growth (jobs, sales, and productivity). This new innovative human capital concept encapsulates four elements: education, training, willingness to change in the workplace and job satisfaction to overcome the limitations of measurements used previously. More and more companies are searching for ways to train, educate, and convince employees that cultural diversity is a positive factor. However, as more organizations experiment its ways to train people, they are finding out that the results of such training are difficult to measure. Human capital management is the most critical function performed by managers in business organizations. Likert (2000) avers that all the activities of any enterprise are initiated and determined by the persons who make up the institution. Plants, offices computers, automated equipment and all else that a modern firm uses are unproductive except for human effort and direction. Of all the tasks of management, managing the human component is the central and the most important part, because all
depend upon how well it is done. Human capital management is that enterprise function which is specifically concerned with managing the human capital component in organizations. The greatest asset of any organization is its human capital that ensure that achievement of the company’s goal and objective. It is unfortunate that most company’s organization have neglected the development and management of their chief asset which is human resource.

According to Apple, (2000), human Capital Management is the function within an organization that focused on recruitment of, management of, and providing direction for the people who work in the organization. It is also a strategic and comprehensive approach of managing people and the work place culture and environment. Effective human capital management enables employees to contribute effectively and productivity to the overall company direction and the accomplishment of the organization’s goals and objectives (Apple, 2000).

Human capital management is administrative activities associated with human resources planning, recruitment, selection, orientation, training, appraisal, motivation and also a functions within an organization that focuses on people (Robert, 2002). According to Robert, Human capital management is the set of individuals who make up the work force of an organization. Human resource management encompassed activities designed to provide for and co-ordinates, all human element within the organization. This will ensure its stable continuity and achievement. The human personnel element represents one of the company’s largest investments (Certo, 2002). Consequently, organization should prioritize the development of the human element to maximize talents, skills and ability which will automatically reflects on the company’s profit.

Problem of the study
Most organization do not have plans for the development of their members of staff. Once these people are recruited, the companies do not orientate them, neither do they train them to acquire other modern skills or improve upon their talents and educational qualifications they came in with. Companies take for granted the human capital. Most organization in Nigeria do not see the need to send their employees on intensive human capital development programmes. Innovative human capital focuses on raising productivity through improved quality, efficiency, cost reduction and enabling employees concentrate on their core business activities. Business is full of uncertainty and the understanding of innovative human capital development is vital for management especially in the areas of boosting organizational productivity and as well its profitability. The challenges of lack of skilled labour, heavy competition among firms, technological problems, low productivity and to mention but a few leads to a high rate of poor performance and poor product implementation while placing a serious limitation on product expansion and increase in productivity. It is against this background that this study is being carried out to appraise innovative human capital as it affect organizational productivity. In short, the processes of innovative human capital unlock the door to modernization

Research Objectives
The specific objectives include:
1. To determine the extent at which innovative human capital can enhance productivity in order to reduce poor performance in organization.
2. To determine if technology affect organizational growth.

Research Hypotheses
(1) Innovative human capital does enhance productivity in order to reduce poor performance in an organization.
(2) Technology does affect organizational growth.

LITERATURE REVIEW
Concept of Innovative Human Capital
Innovative human capital according to Robert (2002) is concerned more with changes in attitude behavior and employee potential than with immediate skill. It relates more to career development than job development. It is a learning activity concentrating on the future needs of an organization. Gayla et al
(2004) defined it as the process of educating and developing personnel so that they have the knowledge and skills needed to manage in future positions. The process starts with the selection of qualified individual and continues through that individual career. They assert that the objectives of innovative human capital is to ensure the long-run success of the organization, to furnish competent replacements, to create an efficient team that works well together and to use his or her full potentials. The emphasis here is on lifelong education and development.

According to John (2004), Innovative human capital occurs as part of a three-pronged company strategy. Innovation and technological advance, emphasis on a range of quality products and superior customer service, and human capital development as strategies that is highly complementary. As such, organizations that will be most receptive to human capital development are going to be those where expertise in innovation and quality management and human capital already exist. In addition, they say that human capital development is closely related to innovation. Due to the specificity of knowledge and the rapidity of change associated with innovation and technological change, innovative human capital is necessary to upgrade the skills of employees.

Innovative human capital is the process of increasing the Knowledge, the skills, and the capacities of all the people in an organization. In economic terms, it can be described as the accumulation of human capital and its effective investment in the development of an organization. In political terms, innovative human capital prepares people for adult participation in the political processes, particularly as citizens in a democracy. In short, the processes of innovative human capital unlock the door to modernization (Sriyan, 2005).

Innovative human capital development is about supporting and investing in people, using a variety of means, including education training, coaching, monitoring, internships, and human resource management.

**Functions of an Innovative Human Capital Management**

According to Dirk (2010), an innovative human capital management involves maintaining and improving all aspects of a company’s practices that affect its employee from the day of his recruitment to the day that he lives the company;

A. **Hiring:** Human capital manager must devise the most innovative, efficient and cost-effective means of advertising and recruit for vacant positions in the company. Human resource management team must devise and implement the selection procedures undertaken to choose the most suitable candidates.

B. **Firing:** The Human capital manager must ensure consistency of procedure regarding dismissal. Not only must he abide by government regulation regarding the right to appeal and to compensation, he must also follow correct procedure to protect the company prosecution for unfair dismissal.

C. **Review:** The Human capital management team will devise and oversee a comprehensive innovative review program applicable to all members of staff. This process will provide a plan form both for management to assess the performance of the employee and for the employee to raise questions and concern that she may have. The review process may result in extra training, a salary or bonus review or occasionally, a disciplinary procedure.

D. **Welfare:** The human capital manager is responsible for ensuring their general well being during their time with the company. They must keep staff members up to date on current innovative health and safety procedures, as well as ensure that payroll will and benefit payment are processed and polices concerning them are kept secure.

E. **Legal:** It is the responsibility of human capital department to remain aware of any change in employment law and adjust the policies of the company accordingly. Operating in conjunction with the company’s legal team, the human capital management staff must ensure legal compliance with legislation concerning maternity pay and leave, equal opportunities, discriminating practices and right to appeal dismissal. A therefore, working knowledge of employment law is essential running out of a human capital department.
Innovative Human Capital
An important factor affecting organizations is the type of the human capital it employs. In general, the more highly skilled an organization’s workforce is and the more people are required to work together in groups or teams to perform their tasks, the organization is likely to achieve its goals. Highly skilled and innovative employees or employees who have internalized strong professional values and norms of behavior as part of their training usually desire freedom and autonomy and dislike close supervision (Ricky & Donald, 2000). Accountants for example have learned the need to report company accounts honestly and impartially and doctors and nurses have absorbed the obligation to give patients the best care possible. Flexible structures, characterized by decentralized authority and empowered employees are well suited to the needs of highly skilled and innovative people. Similarly, when people work in teams, they must be allowed to interact freely, which also is possible in a flexible organizational structure. Thus, managers must pay close attention to the workforce and the work itself (Robert, 2002).

The Need for Innovative Human Capital
The importance of innovative human capital in organizational development has been extensively discussed and demonstrates by outstanding scholars all over the world. Harbison (2004) human capital are not capital, neither income nor material resources constitutes the ultimate basis for the wealth of a nation. Capital and natural resources are passive factors of production; innovative human capital is the active agent that accumulates wealth, exploit material resources, build socio-economic and political organization and carry out national development. Highly skilled human capital is a pre-requisite for overall economic and national development. He states that security of qualified personnel has impeded the economic growth and development in Nigeria. The overriding importance of innovative human capital cannot be overemphasized because it unlocks the, door to modernization. In all economic activities, human effort is necessary to work machines, milk cows, harvest crops, load a van, sell goods, keep accounts and so on. This human effort which is vital to production is called labour. It can be manual, working with one’s hand or it can be mental labour using head or brain (Robert 2002).

Causes of Low Productivity
According to Nwachukwu (2004), he identified four major factors of low productivity.
1. Economic factor: This deals with the reward system of employee in Nigeria. There is no correlation between efforts spent by an employee and the rewards that he received in the organization. To encourage higher productivity, it is essential that a system of rewards must be designed that attempts to equate hard work and rewards.
2. Sociological factor: this deals with a situation where employees have a sense of belongings in an organization and recent any efforts on the part of management to perceive and treat them only as cost of production.
3. Management factor: He opined that the success or failure of an organization depends solely on the management. An unproductive and undisciplined supervisor can hardly motivate employees. The study conducted shows that in public sector that low productivity arises due to managers’ unwillingness to manage effectively.
4. Technological factors:- This involves the use of new ideas, techniques, innovation, methods and materials to achieve an organizations objective. The lack of proper information to help entrepreneurs select the appropriate technology is one of the major causes of low productivity.

High Productivity
The need attain and maintain high level of product is general accepted in all economics and by employer and trade union alike. It is through such product increases, the return to enterprises, investments, can be maximized .However, some of the pre-conditions of high productivity include the following:
1) Production Targets:- This means that each department of an organization must have its objective and relations with other department well known to employees
2) Planning and workflow of output: the situation where workforce in term of forwarded and backwards linkages should be well planned to ensure the supply of material or component required by each department and to ensure uninterrupted.

3) Physical working conditions: productivity of worker will surely be impaired. Through employee need to implement the provisions of the factories act by providing safety and health facilities to workers that work.

4) Incentive: A motivating factor that increases the productivity of an employee in an organization. In as much possible incentive should be provided in the overall system of re-enumeration.

5) Innovative human capital: The importance of innovative capital cannot be overemphasized. It help the employee to be productive. In short, the process of innovative human capital unlock the, door to modernization (Robert 2002).

Factors Affecting Productivity
According to Watt, Murrellck and Schuster (2003) the factors affecting productivity are,
(a) Management processes: refers to the planning, organizing, integrating, controlling actions that provide the system and moulds for accomplishing tasks,
(b) Managerial leadership: concerned with both looking ahead to set new organizational goals and providing conditions that causes employees to try to do things best.
(c) Motivation: refers to the sustained desire of worker to achieve goals.
(d) Technology: This refers to how work is done.

METHODOLOGY
The study adopted the case study design. A case study singles out individuals, group of individuals, organizations, institutions or communities for study. The study was conducted in south-south Nigeria. The population comprised all staff of selected five commercial banks. A sample of 50 staff, both management and non-management staff was selected using a purposive sampling techniques. 40 copies of the questionnaire was actually returned. Three research assistants helped in the administration of the questionnaire. The administration was done during working hours which enable the researcher and the research assistants to reach all workers. Descriptive and inferential statistics were used to analyze the data collected. Mean and Standard Deviation were first used to answer the research questions. Chi-square contingency tables and Chi-square analysis was used to test the hypotheses.

DATA ANALYSIS AND PRESENTATION OF RESULTS
Hypothesis One
Innovative human capital does enhance productivity in order to reduce poor performance in an organization.

Table 1: Computed \(X^2\) value for hypothesis one

<table>
<thead>
<tr>
<th>Response value</th>
<th>No of Respondents (fo)</th>
<th>Expected frequency (fe)</th>
<th>Fo-fe</th>
<th>(fo-fe)(^2)</th>
<th>(fo – fe)(^2)( fe)</th>
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</thead>
<tbody>
<tr>
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<td>20</td>
<td>15</td>
<td>225</td>
<td>11.25</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>20</td>
<td>-5</td>
<td>225</td>
<td>11.25</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>40</td>
<td></td>
<td></td>
<td>22.5</td>
</tr>
</tbody>
</table>

The table 6 above shows that the computed \(X^2\) 22.5 with 1 agree of freedom, that is \((2-1) (2-1)\), the theoretical value of \(x^2\) and 5% level of significance is 3.84 which is less than the computed \(X^2\).
Decision
The chi-square calculated \( (X^2) \) 22.5 is greater than \( X^2 \), we therefore reject Ho (null hypothesis) and accept that hi (alternative hypothesis).

Conclusion
Based on the result of the chi-square above, it can be concluded that Innovative human capital does enhance productivity in order to reduce poor performance in an organization.

Hypothesis 2
Technology does affect organizational growth

Table 2: Computer \( X^2 \) value for hypothesis two

<table>
<thead>
<tr>
<th>Response value</th>
<th>No. of Respondents (fo)</th>
<th>Expected frequency (fe)</th>
<th>Fo-fe</th>
<th>(fo-fe)^2</th>
<th>( \frac{(fo - fe)^2}{fe} )</th>
</tr>
</thead>
<tbody>
<tr>
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<td>20</td>
<td>10</td>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>20</td>
<td>10</td>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>40</td>
<td></td>
<td>22.5</td>
<td></td>
</tr>
</tbody>
</table>

The table 2 above shows that the computed \( X^2 \) is 10 with 1 degree of freedom, there is \((2-1) (2-1)\), the theoretical value of \( X^2 \) and 5% level of significance is 3.84 which is less than computer \( X^2 \).

Decision
Since chi-square calculated \( (X^2) \) 10 is greater than \( X^2 \) we therefore reject Ho (null hypothesis) and accept the Hi (alternative hypothesis).

Conclusion
Based on the result of the chi-square above, it can be concluded that technology does affect organizational growth.

FINDINGS
1. The study discovered that innovative human capital does enhance productivity in order to reduce poor performance in an organization
2. It was also discovered that technology does result in organizational growth.

CONCLUSION
Considering all that has been discussed, the review of related literature and research findings obtained in this study, it has been established beyond every reasonable doubt that innovative human capital, motivational tools, training etc. make workers to be more effective to their various job. Though the analysis of the subject matter centers on private enterprises, the need for the study is in recognition of the fact that in all aspects of human endeavors, is it private or public companies.

RECOMMENDATIONS
As a result of the various finding emanating from the study, the following recommendations which the research work is hereby suggested:

1) Management having seen human capital as a vital aspect in organization, should be encouraged to develop them, seeing that the company is one that makes use of highly trained personnel, lack of funds as a problem should not be allowed to hinder effective implementations of innovative human capital development programs.
2) Educational qualifications, more especially of technical qualifications should be a pre-requisite for recruitment, placement, promotion appraisal and lay off of workers. This means that the companies should adjust their work/responsibility by engaging more qualified staff so as to help utilize other resources well for effective productivity.
3) Organizations ought to inculcate the habit of attending seminars, conference, and workshops. These are avenues where new skills are developed and discovered. It not only helps to train and develop the worker but also offers powerful labour force that help to the organizational growth in sales and profitability.

4) Innovative human capital development should be adopted in all business concern in a big way because these employees even when they are the right people at the job need to be updated and modify considering our dynamic environment. In fact innovative human capital unlock the door to modernization.

REFERENCES