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INVESTMENT IN HUMAN CAPITAL IN NIGERIA: A PHILOSOPHICAL PERSPECTIVE

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ABSTRACT

The importance of Human capital investment in the growth, development and advancement of any country cannot be over emphasised. Taking a philosophical approach, the paper examined the centrality of human capital investment as conceived by great thinkers and scholars over the years. It also undergird the rationale for human capital investment as expressed in the National Education Policy, and captured in Chapter II sub section 18 of the 1999 Constitution of the Federal Republic of Nigeria, dealing with Fundamental Objectives and Directive Principles of State Policy, which requires the government to direct its policies towards providing for all citizens suitable and adequate shelter, suitable and adequate food, a reasonable national minimum living wage, old age care and pensions, employment for the youths, sickness benefits and welfare of the disabled, adequate medical and health facilities for all persons, opportunity for securing an adequate means of livelihood, equal pay for equal work without discrimination, equal and adequate educational opportunities at all levels and just and humane conditions of work. Based on this philosophy, this paper argues that human resources are the most valuable assets of a country. With machines, materials, land and money, nothing gets done without human efforts. Accordingly, for Nigeria to compete favourably among the comity of nations, high premium should be given to purposeful and result-driven investment in Human Capital. A major finding of the study revealed that there is a significant relationship between human capital investment and the level of a country's development. The paper therefore recommends that Nigerian government should take education more serious while organizations both public and private are enjoined to note that knowledge and its investment should be seen to be sacrosanct.

Keywords: Human Capital, Human Resource Management, Manpower Training, Investment, Development.

1.0 INTRODUCTION

The philosophical premise for investment in human capital is structurally determined on the ability of an education system to yield the required dividend to those who invest in it. This philosophy is best appreciated and understood within the context of education and the importance attached to it. Therefore, if Nigeria must transform more rapidly, the country has to place education at the forefront of its Economic, Social, Political and Cultural Development. This is because, the bulk of Nigerians are still largely held by ignorance, disease and poverty (Fafunwa, 1964, Wey, 1992).

To move out of the aforementioned problems, education must be made functional. Its philosophy has to be realistically addressed to the needs and aspirations of the people and the nation it purports to develop. Relevant manpower resources have to be developed and planned through a functional process of education. This has to be confined to the identified needs of Nigeria and Nigerians. Gowon (1994) and Igwe (1989) perceptions about the philosophy of human resource development in Nigeria corroborated this relevance of education, which is an essential investment that is capable of uncovering the potential of people, making them more functional and productive in society. Unfortunately, despite the nobility of the philosophical premise of Human capital investment through education, investment in education lacks some basic and fundamental ingredients. A glimpse at the supplements of user cost to schooling with tuition fees and provision of school necessaries by parents and sponsors of education presently confirms this fact. For instance, the proliferation of private primary, secondary and university education are demonstrations of the impact of private investment in developing human resources in Nigeria. They have complementary roles to that of public investment in human resources development, (Udeh, 2015).

The urge in Nigeria to invest in human resources could not have been for the sake of investment alone, but in line with the national philosophy. For any meaningful and rapid transformation to take place in Nigeria, it is considered more reasonable to concentrate on the improvement and development of the available human resources (Akinbote, 1988). This informs the huge investments in education in Nigeria over the years, and perhaps the current emphasis on quality of human labour.
Given the importance of human capital and the need for development of same, this paper analysis and discusses human capital investment from philosophical perspectives

2.0 METHODOLOGY

Literature on human capital were assembled from journals , conference proceedings, shot communications, monographs , they were collated, analysed and discussed along philosophical lines with a view to encouraging more investment in human capital

3.0 RESULTS AND DISCUSSION

3.1 Defining Human Capital

Human capital can be defined as the skills, general or specific, acquired by an individual in the cause of vocational and technical education and on-the-job training in the industrial work place (Enyekit, *et al,* 2011. Delaney and Huselid (1996) then contend that HRM aims at enhancing the skills of employees, and increasing their level of commitment which leads to increase the organization performance, output and efficiency. Globalization and job market saturation has resulted in greater focus on human capital. All countries reiterate more human capital growth towards speeding up the economic development by allocating essential time and hard work.

According to Marimuthu, (2009), Human capital means important aspect in alleviating a firm possessions and employees in order to boost productiveness as well as maintain competitive benefits. To continue and maintain competitiveness in the organization, human capital is key. Moreover, Rephann, (2009) defined Human Capital as the stock of knowledge and skills embodied in labour as a result of training and education that improves labour productivity. While, Papadimitriou (2011) stated that Human Capital is investing in the skills and knowledge that faculty and staffs need in order to be outstanding teachers, scholars, innovators, and leaders. Westphalen (2009) said Human Capital can be defined strictly within an economic context as a production factor, and Koednok (2011) described it as an economic term used to describe the skills and knowledge that individuals draw upon to generate outputs of value, such as innovation and productivity in job performance

Finally, Enyekit, (2012) admits that Human Capital is the intangible factor of production that brings human intellect, skills and competencies in the production and provision of goods and services. In summary Human Capital represents individual's knowledge and skills; It is not owned by the organization, but it can be rented; It is in the minds of individuals (individual property) and finally, it goes with the individual (Sharabati & Nour, 2013).

Human capital is related to procedure that includes training, education and other professional initiatives so that level of knowledge, skills, abilities and social values of employees are increased. This could relate to employee's satisfaction and performance and ultimately firm performance. Marimuthu, (2009) therefore opined that human capital is vital key for organization mainly for employees' constant enhancement in term of knowledge, skills, and abilities. Individual and organization are two main components of human capital. According to Garavan, (2001) human capital has four characteristics namely, flexibility and adaptability, enhancement of individual competencies, the development of organizational competencies and individual employability. These characteristics can increase value and output of organization and individual (Noudhaug, 1998); higher performance of human capital leads to achieve competitive advantage (Iles, 1990); higher organizational commitment and improved organizational retention (Robertson et al., 1991). Collis and Montgomery (1995) explained that Human capital is more focused on creation of competitive advantage.
According to Kumpikaite (2004), the main aim of HRI is to train the employees, develop their skills in a way that help to achieve best possible results. Human resource investment explains the competency development in people and formation of conditions (through public policy, programmes and other interventions) to help people apply these competencies for their own benefit and for their country. Thus human resource investment focuses on the activities that boost the ability of all human being to acquire maximum output. Human resource investment in a way, show the relationship between individuals and society. HRI actually represent relationship between individuals and society regarding their abilities and capacities for the continuation of economic development.

3.2 Rationale for Human Capital Investment

Since man is the creative and productive resource that can harness economic progress, there are bound to be fundamental premises under which such a resource can be developed. According to Schultz (1961, 1992, 1994), and Jhinghan (2002), there are five premises under which a nation can invest and develop its human resources and these include; health facilities and services, broadly conceived to include all expenditures that affect life expectancy, strength and stamina, and the vigour and vitality of the people; on-the-job training, including old type apprenticeships organized by firms, formally organized education at the elementary, secondary amd higher levels, study programmes for adults that are not organized by firms, including extension programmes notably in agriculture, and migration of individuals and families to adjust to changing job opportunities.

The above are not exhaustive as import of technical assistance, expertise and consultants play vital roles in human capital formation and the development of the economy. Indeed, to capture the analysis clearer, investment in human resources in a broader perspective implies expenditure on health, education and social services in general and in narrower sense, it implies expenditure on education and training. However, most conventional reasoning tends to see investment in human resources in the narrower sense because expenditure on education and training is capable of measurement as compared to the expenditure on social services (Umo, 2001, 2002; and Jhingan, 2002). Meier and Rauch (2000) posits that the development of human resources is premised on first, building skills and then, providing productive employment for non-utilized or underutilized manpower. These relate to investment in man in the form of education and training which constitutes the process under which human capital is accumulated. In view of the relevance attached to human resources development, the United Nations Economic Commission for Africa (UNECA) (1990) sees human resources from the perspective of knowledge, skills, attitudes, physical and managerial effort required to manipulate capital, technology, land and material to produce goods and services for human consumption.

This confirms one thing, that education has a positive value and impacts on the economy (Adamu, 2003), Arrow, 1999, Dornbusch, 2004). According to them, education increases the number of knowledgeable workers by improving their skills and exposes them to new challenges. More so, education enhances occupational mobility, reduces level of unemployment, increases earning capacity and productivity of workforce, improves access to health information that facilitate increased life expectancy as well as lower fertility rate. An important aspect of education in nation building is its role in enhancing income distribution and promotion of social equity and bridging the gaps of inequality and social injustice across all strata of the society. However, such investment, was to ensure and contain socio-economic development in agricultural education, trades and crafts and professional training; all geared towards development of their respective communities. Aside from these, traditional investment in human capital was to develop certain attributes on the people such as character training, weaving, hunting, farming, carving, drumming, dyeing, wood technology, dress making, wine tapping, pottery, cooking, smelting and blacksmithing. This investment was equally to ensure professional training and exposure in areas such as medicine, pharmacy and politics (Komolafe, 1988). Generally, all these were to create social services for the people and their local economies; such that societies could withstand the challenges of development in all ramifications at all epochs.

Apparently, the basis of philosophical premise of investment under traditional education was ultimately tilted towards apprenticeship and this has to be financed by the learner and his parents (Komolafe, 1988). To contain this, Callaway (1964), King and Hill (1993) maintained that the apprenticeship system starts by an apprentice, first, serving his master craftsman before actually learning the trade. During this process, the parents or guardians, pay some token fees when bringing in the apprentice and on his freedom. Despite the fact that the remuneration is in kind, the most interesting part of this is the joy and satisfaction of producing top-rated professionals and the high reputation and recognition that go with it (Adesina, 1988).

In the traditional investment, emphasis has always been placed on vocation. Therefore, any attempt to invest on the human skills was guided by the vocation under which young boys and girls intend to pursue; and as such they were always directed. Most of the vocations are usually tilted in line with the family vocation, all aimed to prepare the individual as a functional and useful agent for developing his society. However, these arguments in favour of traditional investment in education notwithstanding, the failure of this education to address the problems of modern development have been the concern for every development economist of the present age. This education was not properly administered to move the economy forward or to transform the indigenous technology that should serve as instrument of modern development in Nigeria (Akpodo, 2011)

Despite the pitfall of traditional education, its investment and philosophy if they were properly and appropriately directed, the country would have witnessed a sustained growth and development, since this was based on resource endowment of the Nigerian economy. Akpodo, 2011, therefore, stressed that, it was unfortunate, whereas the principle of education is universal application, and the type of education must vary with the state of a people's civilization and as practicable with requirements of the individual students. However, Phelps-Stokes Reports laid the philosophical foundation for the evolution of relevant education policies to develop local needed manpower, issues raised in it especially those that touched on relevance, organization and supervision have perpetuated to date and are still left amidst unresolved. However, practicability of this has not been feasible, even at developing the intermediate manpower, let alone high-level manpower development.

In all the revelations of colonial philosophy on investment in human resources, less emphasis was placed on training the indigenous manpower to take over the affairs of the state. As aptly exposed by the Phelps-Stokes Report, the educational services must be made to attract the best men from Britain, whether for permanent careers or for short-service appointments. Thus, even where other professional training was emphasized, this was based on, on-the-job training in government departments and apprenticeship, with no relevance attached to high level manpower training. Based on the foregoing analysis, one can aptly conclude and concord with Freire (1980), that the philosophy of colonial investment in human resources in Nigeria merely reflects the pedagogy of the oppressed. The education system in itself lacks fundamental relevance and the bulk of human resources to man all productive sectors of the economy were loosely left untapped, except to bread unprofessional like clergyman, interpreters at churches and courts, clerks and teachers of history, religion, civic, classics, music, literature, reading, writing and British geography, etc. The wholesome neglect of training and developing functional and relevant manpower for productive sectors of Nigerian economy informs the poverty of philosophy of colonial investment in human resources.

3.3 Neo-colonial Philosophy of Human Capital Investment in Nigeria

From Nigeria's decolonization process in 1960, it became glaring for qualified personnel to take over the existing vacancies that would be left by the erstwhile British at both the public and private enterprises. To facilitate this process of replacement, scholarship boards, students' loans boards and award of bursaries to finance the education of Nigerians were encouraged. From this step, it became clear that an attempt was made to invest in human resources towards transforming the Nigerian economy (Godfrey & Hiskert, 1975; Aminu, 1992; Yesufu, 2000). It must be noted however, that since the decolonization of Nigeria started in 1960, the Nigerian policies and economy have been transformed such that educational investment has taken a magnitude that needs broader and multi-faceted approach rather than a narrow donor investment function.

As transformation persists with them, the neo-colonial investment in education shaped the philosophy of education away from the subsisted colonial philosophy. This philosophy as amplified in the Second National Development Plan (1970) and anchored on the National Policy on Education (1989) emphasized: A free and democratic society; a just and egalitarian society; a united, strong and self-reliant nation; a great and dynamic economy; and a land of bright and full opportunities for all citizens. In harmony of these five broad philosophies for Nigeria educational system, based on National philosophy of development, it is apparent to note that investment in education at this premise is no longer to only graduate job seekers and employment but extending largely to individual self-fulfilment in self-employment through initiative and creativity. In other words, this has to curtail unemployment, under-employment and wastage that were manifested rife in the colonial like education. Educational development must consider the job market and opportunities available.

No matter the flamboyant neo-colonial philosophy on human resources investment, it defies addressing the needs and aspirations of training and developing relevant manpower needed to carry Nigerian economy forward from its doldrums. For instance, the existence of so many job seekers that had no skills like the almajiris, motor parks touts and season markets *delcredere (pay loaders)* agents who all constitute labour waste. The education system was unable to provide for them. The consequent for which, the country has been unable to move ahead in almost all fronts. An antidote to this is the state of technology that has not been shaped in anyway, and the craze for certification rather than quality education for acquisition of appropriate skills and knowledge. There is complete lack of application of skills acquired since education in its relevance in Nigeria appeared seemingly dysfunctional and romanced with the erstwhile colonial philosophy and which in essence, Nigerian education philosophy has been unable to eliminate or set aside.

The only option is for the philosophy to be shaped in the classrooms. The fact remains that education is the only instrument that determines the level of transformation, prosperity and general security and welfare of the people. A rational philosophy of education must address these attributes otherwise the chances for achieving the main educational objectives are slim.

3.4 Contributions of higher education to human capital investment in Nigeria

The importance of higher institutions in developing quality manpower in the country cannot be over-emphasized. Higher institutions can contribute in the development of human capital in many ways. One of this ways is that, it empowers students' attitude. For Watson (1979), one area of behavioural change in the social development of people is education. This is so because, building a good attitude; which is largely learnt through education, is very important for a healthy social development. Higher institutions play significant roles in the building of students who are responsible both in character and learning. Higher institutions should more than before take up the responsibility of reshaping the behaviour of students towards the development of the society.

Research in relevant areas is another area where the higher institutions contribute to the advancement of the society. It is therefore important that more research efforts should be developed by higher institutions in the country. This will contribute towards the development of new goods and service that will contribute towards the intellectual development of the country.

Another area where higher institutions can contribute towards the building of human capital development is in the area of community development services. It is needful that frequent orientation should be given to the host community to enlighten and educate them on new findings that is important for their environment. Such knowledge will help to empower the community on how to carry out individual and societal development.

One of the objectives of higher education as stated in the National Policy on Education (2004) is the development of quality manpower. Similarly, the quality of manpower developed from the various institutions will also contribute to the society by transferring their knowledge to the other members of the society (Agabi, 1999). It is therefore clear that the quality of graduates from the nation's higher institution will to some extent determine the literacy level of the entire society.

Higher institutions in the country can also donate goods or services to individuals and institutions for self-empowerment. Areas of needs may be identified by higher institutions in the country and necessary contributions made towards the alleviation of such problems. This will assist in the reduction of the level of dependence and incapability of individuals within the society.

The development of quality human resource is strategic to the development of the entire nation. No nation can rise above the quality of its work force. As such, all higher institutions in the country need to work hand-in-hand to contribute towards human capital development in the country. The relevance of quality human capital development cuts across the various sectors of the economy. It is therefore necessary that for the nation to acquire all round growth and development, the development of human capital must be given the desired attention.

3.5 Improving Human Capital Investment in Nigeria

The creation of an enabling environment for higher institutions to thrive in the country is highly instrumental for the development and investment in human capital in the country. It is therefore important that the challenges limiting higher institutions from contributing to the development of human capital in the country should be addressed. This can be achieved through the following strategies: Development of appropriate information and communication technology (ICT) Facilities. The use of ICT in improving the quality of service delivery in the various sectors of the economy is gaining increasing attention. According to Epodoi (2003) ICT serves as an instrument which assists in increasing productivity and improving service delivery. It is therefore important that adequate ICT facilities be provided for the training of students and teachers for effective human capital development.

3.6 Review of Curriculum: Hershberg 1996 in (Dada 2011) suggested that we should be comparing the human capital of our children to the skills required by the jobs of the twenty-first century global economy. However, in order for the skills and abilities of students to be developed, the curriculum of most of the higher institutions in the country needs to be reviewed to meet contemporary economic demands. This will help in enhancing the relevance of students in the 21st century.

3.7 On the Job Training: The need for constant training among employees in any formal organization cannot be over-emphasized. Developmental programmes and activities play a significant role in making employees more effective in the work environment. On-the-job training is one of the avenues through which the expertise of workers can be improved upon. Seminars, conferences, workshops and other training programmes need to be provided for all categories of employees to improve their quality. A student can hardly rise above the competence of the teacher; it is therefore necessary that lecturers in higher institutions should be exposed to on the job training to acquire modern teaching techniques (Dada 2011).

3.8 Job Enrichment: The work environment should be equipped with modern and important facilities and equipment that will allow staff and students to go on knowledge search. Higher institutions in the country should be provided with the necessary human and material resources that will assist in the development of all educational stakeholders within the environment of the institution (Dada 2011)

3.10 Organizational Restructuring: The structural arrangement of an organization can contribute to the success or failure of the organization. When people and activities are merged based on areas of strength, it will result into increased efficiency. The various faculties and departments in schools should be properly structured in such a way that new staff can learn from other experts in the faculty or department. Such an arrangement will assist in the improvement of the quality of service provided by the various staff. Also, it will assist in improving the skills and abilities of all lecturers. This will make them better-off than when they were initially employed. It will also help to improve the quality of their students (Dada 2011).

Conclusion

This study has shown that investment in human capital is very important for the welfare, growth and advancement of people be it organization or country. Indeed, it is more-or-less a sine-quo-non to the attainment of organizational goals and objectives; for no country can achieve her aims and objectives without an efficient, effective, well-informed, committed and loyal workforce. Fundamentally, it is revealed from the analysis that investment in human capital will enhance the growth and development of Nigeria. This is based on the fact that if adequate investment is made in education, appropriate human capital will be developed for appropriate utilization in the development process of all sectors of the economy. Organizations have come to the realization that knowledge and the production of ideas represent the most important factor for corporate success. This confers exigency on organizations both in the public and private institutions that knowledge and its investment should be seen to be sacrosanct. This is because one of the most important resources in the life of any country is human capital.

Recommendation

Knowledge has become the most important factor for economic development in the 21st century. Through its capacity to augment productivity, it increasingly constitutes the foundation of a country's competitive advantage. Education plays a great and significant role in the economy of a nation. Thus, educational expenditure should constitute a large chunk of a nation's budgetary allocation. In this regard, education has always been seen as playing an important role in furthering economic and particularly human capital development of a nation. The development of human resource capabilities consistently enables superior performance Attracting and retaining high quality personnel is considered a critical innovation strategy, particularly as Nigeria continue to clamour as the giant of Africa. This can be achieved by recruiting and maintaining a well trained labour force and electing political office holders whose knowledge, skills and abilities serve as a source of innovation. Based on this philosophy, this paper argues that human resources are the most valuable assets of a country. With machines, materials, land and money, nothing gets done without human efforts. Accordingly, for Nigeria to compete favourably among the comity of nations, high premium should be given to purposeful and result-driven investment in Human Capital. There is no doubt that, there is a significant relationship between human capital investment and the level of a country's development. This is why Nigerian government is implored to take education more serious while organizations both public and private are enjoined to note that knowledge and its investment should be seen to be sacrosanct.

As a corollary, the federal government should encourage Public-Private Partnerships (PPP) at all levels of education in the country. This will go a long way to reduce the burden of government budgets on the education sector. The processes and procedures for the establishment of private universities should be made much easier and investors' friendly by the National Universities Commission (NUC). This will go a long way to improve the performance of the educational system in general and the payoff from higher education investment in particular.

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