

Exploring the Role of Human Capital Management on Organizational Success: Evidence from Public Universities

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Abstract. *The demand for higher education in Nigeria has been considered as not only an investment in human capital, but also a pre-requisite for economic development. Consequent upon the expansion of higher education in Nigeria, quite a number of institutions have suffered decay due to poor work environments, inadequate educational facilities and poor funding which have resulted into unabated brain drain, strike and turnover. However, the need to develop talents is no longer hidden, what remains controversial is knowing the best method for managing human capacity especially in Nigerian State owned universities. Thus, this study examined the relationship between human capital management and organizational success using three State owned universities in Southwest, Nigeria. These universities (Ekiti State University (EKSU), Lagos State University (LASU), Tai Solarin University of Education (TASUED)) were chosen for their uniqueness. Survey research design was adopted with 398 respondents (staff). Self-administered questionnaire was adopted and analyzed with the adoption of Structural Equation Modelling (SEM). However, the results indicated that adequate leadership practices; learning capacity; workforce optimization; knowledge accessibility; workplace culture and; mentorship are significant predictors of organizational success in higher education.*

Keywords: *human capital, leadership practices, knowledge accessibility, learning capacity, workforce optimization.*

Introduction

The concept of human capital is concerned with the added value people provide for organizations. It has become a revolutionary way of managing people, treating them as assets rather than costs. It has been well said by Chatzkel (2004, p.338) that 'it is human capital that is the differentiator for organizations and the actual basis for competitive advantage'. Human capital is often represented as both a challenge and an opportunity. A challenge to identify relevant measures and provide meaningful information which can be acted upon, and an opportunity to evaluate and maximize the value of people. Knowledge, awareness and proficiency which employees cultivate within the organization eventually lead to increase performance (Barrett & O'connell, 2001) and are often referred to as human capital. Human capital is well-defined as the shared collection of talents, abilities, traits, knowledge, capability and proficiency acquired by employees (Bontis & Serenko, 2009) in increasing performance and promoting the productivity of the organization (Omoluabi & Akintunde, 2014). This human capital can also be referred to as the stock of competence, knowledge and personality attributes embedded in the ability to perform labour so as to produce economic value (Brentwell, 2012). All of this depends on people and getting the best from people depends on understanding what motivates them to perform, to give outstanding service, to run that extra mile when it counts. Without this information, government and managers have to make decisions largely in ignorance of the impact these decisions might have on the performance of people. Johnson, Neave and Pazderka (2002) articulating the prominence of human capital believed that all innovations and inventions are human revolutions. Therefore there is no physical and organizational capital without intellectual capital and no intellectual capital without humans (employees). In the same vein, Pfeffer (1994) saw the development of human capital as a resilient exponent to the role of human in strategic milieu. While, Weatherly (2003) established the fact that the development of human capital in today's competitive environment has been supplanted with a new mirage known as human capital management (HCM).

The use of quality people data is the key to good HCM. Human Capital management denotes the process or procedure of obtaining, training, rewarding, managing, and retaining personnel in order to meaningfully contribute to continual existence of organizations (Collins & Clark, 2003;

Johnson et al., 2002). Studies have shown HCM as a systematic way of identifying and improving the existing competencies and capabilities of an employee to achieve corporate objectives especially in the academic settings (Kannan & Akhilesh, 2002; Khandekar & Sharma, 2003; Molina & Ortega, 2002). Bassi and McMurrer (2007) added that the success of every organization is dependent upon effective applications of the five dimensions of HCM which include leadership practices, knowledge accessibility, learning capacity, workforce optimization and employee engagement. While Brentwell (2012) added mentorship programmes and workplace culture to the drivers /dimensions of HCM.

Considering the myriads of problems facing mankind today, it is no wonder that Armstrong (2007) asserts that HCM is “not primarily about measurement” but a “vital and dynamic strategy that is indispensable to modern progress especially in the education sector. University education is perhaps the most important and indispensable component in developing human capital and building a strong and sustainable economy. The pivotal aim of any university, as the apex of a nation’s educational system, is to develop the whole person mentally, morally, culturally and physically for the transformation of the economy, hence the spectacular growth of Nigerian universities which now stand at one hundred and fifty three (NUC, 2015) and are still unable to accommodate the teeming millions yearning for higher education (Adeyeye, 2009; Taiwo, 2010). Research, which is primarily the *raison d’être* for the creation of universities, leading to the generation of new knowledge, engendering innovation, enhancing the quality of teaching and increasing an institution’s reputation and economic value has unfortunately, suffered major decline in Nigeria, beginning in the late 1980s (Faborode, 2016).

Nigerian universities system especially the state owned universities appear to have been crippled by both internal and external factors such that the mandates of these institutions are hardly realized. This sentiment is validated by poor funding, inadequate educational facilities and performance of the universities on the ranking tables. The problem of university education financing in Nigeria has to do with lack of commitment on the part of the government to provide quality education to its citizens, this is evident in the last 10 years where the total number of students’ enrolment tripled while public resource allocated to the education sector continued to decline from 11.5 percent in 2002 to 8.7 percent of the total government expenditure in 2013 (Ahmed, 2013). Since a wide array of other sectors of the system competes for the scarce resources available to government, universities have often been very poorly funded in Nigeria (Ahmed & Adepoju 2013; Ipaye, 2007; Okojie, 2007). Worlu, Osibanjo,

Ogunnaike, Salau and Igbinoaba (2016) enumerated other factors contributing to the decline in quantity and quality of research, which include, lack of research skills in modern methods, lack of equipment to conduct state of the art research, overloaded teaching and administration schedules, difficulty in accessing research funds, diminishing ability of seasoned researchers to mentor junior colleagues, frequent industrial actions and poor research motivation. This could be the reason for increased brain drain, low commitment, incessant strike, high job dissatisfaction and absenteeism in Nigerian State universities.

According to Times Higher Education World University Rankings for 2015/2016, no Nigerian university was listed among the first 600 universities in the world. The parameters used for the ranking includes teaching and learning environment (30%), research in terms of volume, income and reputation (30%), citations which determines the research influence (30%), international outlook (7.5%) and industry income (2.5%). Hence, all serious and progressive countries are known to invest heavily in research and these countries, in turn, demand that their institutions of higher learning be active contributors to knowledge. The meteoric rise of the Asian Tigers bears testimony to their investment in research and development (R&D) as a percent of GDP: China, 1.97%; Japan, 3.67% and South Korea, 3.74% (2010) compared to USA, 2.7%; Germany 2.3%; France, 1.9% and United Kingdom, 1.7% and Nigeria 0.2% (2012).

The lingering under-funding in the educational sector especially in Nigerian State universities had embraced a collection of cost-sharing procedures to subsist which has ultimately influence the strength of capacity development. In some public universities, grants and allocations were never paid which invariably gives room for multiple payment for students. This multiple fee includes: school fees, acceptance fees, course registration, accreditation and certification, sports, identity cards, medical fees, library fees, laboratory and transcript. These fees vary from one public institution to another. The rationale for these chronic charges is a clear indication of government's insensitivity and failure to sufficiently fund all levels of education. This makes research, publication, teaching and community service highly defective in Nigeria. The work environment in many of these State universities is terrible, exceptionally intolerable. This could be the reason why Nigerian universities have failed to attain any remarkable and noteworthy position in global ranking.

Several studies (Bhattacharya, Gibson & Doty, 2005; Bontis & Serenko, 2009; Collins & Clark, 2003) conducted in advance countries like America, Europe, and some parts of Asia, have shown that effective practice of human

capital management leads to cost efficiency and career progression. But in spite of extensive research on the quality of human capital management, it is rather unfortunate that most of these studies were conducted mainly in Western countries with distinct organizational culture, workplace climate, capacity development, employer-employee relations and employment pattern. The effect of human capital management and its effects on organizational outcomes and success have not been largely studied in the university system.

Literature reveals that human capital management is measured by using different methodologies but still researchers have not been able to come up with a universal frame work for its measurement. Thus, this study intends to fill this gap.

This therefore necessitated the need for specific research questions as indicated in figure 1 for the study:

1. To what extent has leadership practices (H_1), workforce optimization (H_2), and learning capacity (H_3) been impactful on retention efficacy (direct) and organizational success (indirect)?
2. To what extent has knowledge accessibility (H_4), mentorship (H_5) and workplace culture (H_6) influence employee engagement (direct) and organizational success (indirect)?

The relationships are depicted in figure 1 (schematic model) below.

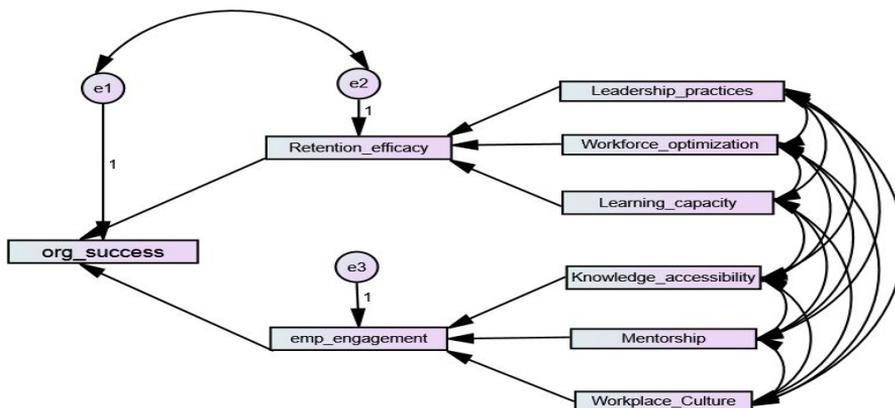


Figure 1. Schematic model

Source: Proposed model by the researchers, 2015

Literature review

Improving the performance of workers has gained attention in both private and public sector (Opu, 2008). Organizations have seen human being as the most important asset that must be developed in order to achieve corporate success. According to Ovenseri-Ogbomo (2006), for any meaningful achievement to take place anywhere, it must start with the development of human beings. Because of the value placed on human beings, Armstrong (2009) sees this as human capital which consists of the knowledge, skills and abilities of the people employed in organizations. Human capital is an important input for organizations especially for continuous improvement of employees mainly on knowledge, skills, and abilities (Muhammad, Asad & Muhammad, 2015). Researches have shown that human capital development and performance are related (Ojalere & Adenugba, 2013; Omoluabi & Akintunde, 2014). It is therefore unarguable that human capital development is germane to job performance of academics. Academic staff development is one of the foremost approaches for achieving efficiency in higher education. Satope (2012) cited education as a major way through which this can be achieved. The human capital model of Robert (1991) advocates education as a tool for improving human capital and stimulating labour productivity. It is thus imperative for higher institutions to develop its human capital since performance of academics contributes to students' academic excellence.

Human capital

Human capital is the collection of skills, capabilities, attributes, traits including creativity, exemplified in the ability to perform some functions or tasks in order to facilitate cost efficiency and yield economic value. Also, human capital can be seen as the collection (Bontis & Serenko, 2009) and organization of resources which include knowledge, aptitudes, talents, capabilities, involvement, shrewdness, training, and intelligence acquired by individuals or group of individuals (Collins & Clark, 2003). Rastogi (2002) conceptualizes human capital as knowledge, competency, attitude and behaviour embedded in an individual. The concept in economic term means education, health, and other human capacities that can improve productivity (Audu, Igwe & Onoh, 2013; Todaro & Smith, 2003). Some researchers indicated that human capital can be closely linked to knowledge, skills, education, and abilities (Garavan, Morley, Gunnigle & Collins, 2001; Youndt, Subramaniam & Snell, 2004). Abdul and Aziah (2012) defined human capital as 'the knowledge, expertise and skills acquired by a person through the medium of education and training'. Saad (2014) described human capital as collaborative composition of knowledge, skills

and abilities of the employees working for common purpose while Abdul and Aziah (2012), Adeyemi (2011), Audu et al. (2013), and Oyinlola and Adeyemi (2014) highlighted the elements of human capital to include knowledge, skills, attitudes and motivation belonging to an enterprise or society and engaged in the development of that enterprise or society to fulfill its objectives.

Concept of Human Capital Management

Human Capital Management (HCM) is concerned with the process of acquiring, organizing, examining and reporting on data that enlighten the direction of value-adding people management, strategic investment and operational decisions at corporate level and at the level of front line management (Oyinlola & Adeyemi, 2014). It is, as emphasized by Kearns (2005), ultimately about value. HCM is concerned with a determined measurement, not just measurement. The defining characteristic of HCM is the use of strategy to guide an approach to managing people that regard them as assets and emphasizes that competitive advantage is achieved by strategic investments in those assets through employee engagement (Seleim, Ashour & Bontis, 2007), retention, talent management (Bontis & Serenko, 2009) and learning and development programmes (Nafukho, Hairston & Brooks, 2006). HCM provides a bridge between human resource and business strategy. For the purpose of this study, the following dimensions or drivers of HCM are explained below.

Leadership practices and retention efficacy

The concept of leadership has become a fundamental issue in today's environment. The style of leaders makes the difference, between success and failure. The growth and collapse of many leaders is a replication of how adaptive, flexible, and insightful they are with the changing environment. It could be task oriented, democratic, laissez faire and "laid back" or authoritarian (Sosik, Godshalk & Yammarino, 2004). The apparatuses of effective leadership are multidimensional and are largely recognized to be dependent on the particular leadership style or situation, bearing in mind the complexity of tasks, the level of a leader's authority, aptitude, maturity and capabilities of the employees (followers). A lot of leaders or managers believe that the purpose of influencing and inspiring others is to acquire social recognition and prestige. Leading employees, therefore, require the ability to influence their behaviour positively and to assist them in recognizing their potentials (Kupers & Statler, 2008). And this can be achieved by creating mutual and cordial relationship with them thereby making them feel important and valuable within the system (Kelly, 2007).

The retention of human talent is a dependent factor on leadership practices which include Managers' and leaders' communication channel, performance feedback, administrative and managerial skills, demonstration of work ethics and values, efforts and ability geared towards building confidence. It can therefore be hypothesized that:

H₁: Leadership Practices has positive effect on retention efficacy.

Learning capacity and retention efficacy

Learning capacity has become one of the organizational resources that is concerned with the overall ability to learn, change, innovates, and continually improve. Learning capacity refers to the way that individuals (and organisations as groups of individuals) are able to recognize, absorb and use knowledge (Asiyai, 2013). It matters because it is the basis of improving operational efficiency, stimulating innovation and increasing organizational agility (Adelowokan, 2012). This agility largely concentrates on the degree of innovation, training, development, value & support and systems (Bontis & Serenko, 2009). Without learning, there can be no capacity development. Learning is the ability to acquire new knowledge and skills. The learning capacity offered, influences an individual's expectation of career success which in turn influences the individual's beliefs about his ability and ultimately lead to career decision, goal attainment and high retention rates (Sosik et al., 2004). The management of organizations must encourage learning by offering challenging assignments, inspiring the protégé by being a role model, coaching for vocational skills, develop the protégés identity, help employees to set career goals and support them (personnel) to achieve work-life balance (Scandura, 2007). It is imperative to note that meeting future educational needs may provide new alternatives that foster learning capacity among individual learners (Bentley & Miller, 2004). It can therefore be hypothesized that:

H₂: Learning capacity has positive effect on retention efficacy.

Workforce optimization and retention efficacy

Workforce optimization is a strategy used in business with focus on maximum employee satisfaction and retention. Workforce optimization is comprised of tightly integrated solutions, enabling organizations to improve agent productivity, identify performance gaps, deliver targeted coaching, and effectively forecast workloads and retain staff (Abdul & Aziah, 2012). The success of every organization in enhancing and optimizing the commitment of its employees is by creating indispensable processes for performing the task efficiently and providing necessary training for skill development (Oyinlola & Adeyemi, 2014). Workforce optimization

encompasses all the activities needed to maintain a productive workforce by providing good working conditions, establishing responsibility, and making rational choices and decisions (Audu et al., 2013), creating adequate incentives/welfare packages that will motivate, stimulate and retain their employees to perform better with higher commitment (Black & Lynch, 2009; Johnson et al., 2002). Workforce optimization is best viewed as the next logical step in the move to optimize the performance of staff and to manage and understand the impacts of staff on operational efficiency. Based on this foundation and demand-based forecasts, workers are scheduled, tasks assigned, performance is measured, feedback is provided and incentives are computed and paid. Additionally, efforts by the workers can be complimented through training benefits, security benefits, work-related and status related benefits. It can therefore be hypothesized that:

H₃: Workforce optimization has positive effect on retention efficacy.

Knowledge accessibility and employee engagement

The historic transition to a knowledge society concurrent with the rapid development of new technologies means that the world is meant for the society that can maximize and transfers knowledge from one generation to another, as this will determine its reckoning globally (Drucker, 2010). Failure to create effective method, process and channels for the transfer and improvement of past knowledge could be a determinant factor for employee engagement. According to Bassi and McMurrer (2005), knowledge accessibility passes on understanding of subjects, facilitates personal development, encourages wise choices, and helps the protégé to make transitions. To be effective, organizations must establish processes that give access to knowledge, promote knowledge transfer while simultaneously fostering a commitment to the organization which influences their performance (Oni-Ojo, Salau, Oludayo & Abasilim, 2014). We therefore hypothesized:

H₄: Knowledge Accessibility has influence on employee engagement.

Workplace culture and employee engagement

Organizational culture is the customary way of thinking and behaving that is shared by all members of the organization. This must be learnt and adopted by newcomers before they can be accepted in the organization. This further implies that culture can be learned, shared and transmitted. It is also a combination of assumptions, values, symbols, language and behaviour that manifest the organization's norms and values. Managers transmit organizational culture to all members of the organization so that they are sure that all employees have the same understanding of the culture

and be able to function at the same level (Denisson, 2006; James, 2004). Work organization is characterized by a variety of dimensions related to organizational culture. These dimensions embody criteria such as goal emphasis, reward orientation, task support and social support (Peterson, 2005). Since employees are seen as the greatest and valuable assets that implement and complement other factors in an organization, therefore, increased competition, globalization, alliances and work optimization have created a greater need for organizational culture. Thus, managing organizational culture is emerging as one of the key managerial challenges of the millennium. However, it is important to note that change is inevitable and constant in all aspects of its connotation, and contrary to this assertion, it is argued that just as people resist change, so also organizations be it in Nigeria or any part of the world would surely resist change. In some organizations, where some norms and values which are not favorable to employees have been established over time, there is always an irresistible urge on the part of employees to behave in a peculiar way in order to stick to status quo. More often than not, employees are unconscious of their organization culture until it becomes a problem, and until the occurrence of a new culture which can be made obvious and explicit. Essentially, most times, this could constitute a hindrance to employees' engagement. We therefore hypothesized:

H₅: Workplace culture has influence on employee engagement.

Mentorship and employee engagement

Mentorship plays a predominant role in understanding, defining and explaining specialized behaviour for employees. Mentorship embodies the value of self- initiation and self-regulation. An employee can contribute to an organization by utilizing knowledge gained from others only if the employee remains with the organization (DeLong, 2004; Rousseau & Shperling, 2004). Mentoring relationships in the workplace may assist organizations in addressing this dilemma. Research suggests that providing skill-building opportunities to protégés is positively related to personal learning in the workplace (Lankau & Scandura, 2002). Yet, an unintended consequence of knowledge transfer via mentoring is the potential for increased job mobility for protégés and the resulting negative effect on organizational retention efforts (Ramaswami & Dreher, 2007). We therefore hypothesized and show the constructs for the variables in Fig. 2 below:

H₆: Mentorship has influence on employee engagement.

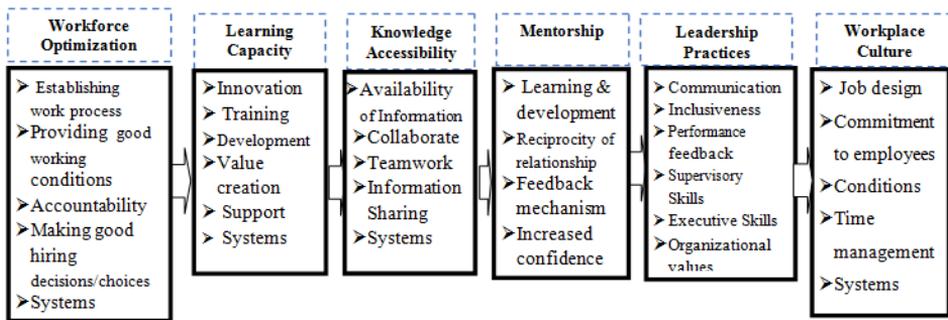


Figure 2. Systemic view of HCM practices on organizational success

Performance measurement in academia

Performance measurement is the process of collecting, analyzing and/or reporting information regarding the performance of an individual, group, organization, system or component. A number of activities and duties are expected of academics in the university namely: teaching, research, community service, assessment, mentoring, and routine administration (Aliyu & Kabiru, 2012).

(a) Teaching

According to Rhemtula and Rollnick (2006), teaching involves a transformation by the teacher of the subject matter (content) into forms that are accessible to learners. In order to teach effectively, academics require skills. Teaching skills are those ‘micro-behaviours’ that the effective teacher constantly exhibits when teaching a class. They include behaviours like: involving all students in the class, using differentiation appropriately to challenge all students in the class, using a variety of activities or learning methods, applying teaching methods appropriate, etc.

(b) Research

Research is a conscious effort to collect, verify and analyse information (Rashid, 2001). It is the process of creating new knowledge or new insights on knowledge, or unlocking knowledge (Salau, Adeniji & Oyewunmi, 2014). This is a key performance indicator in the academia, it is either you “publish or perish”. Yusuf (2012) attributed the following constraint to declining research: poor and irregular funding, lack of research skills in modern methods, rising workloads associated with deteriorating staff/student ratio,

which leave little time for research, poor research motivation, among others.

(c) Mentoring

This is a nurturing process in which a more skilled or more experienced person, serving as a role model, teaches, sponsors, encourages, counsels and befriends a less skilled or less experienced person for the purpose of promoting the latter's professional and/or personal development (Anderson & Shannon, 1988). Crips and Cruz (2009) depicted that mentoring by faculty had been used as a tool to enhance undergraduate goal attainment and retention. In their view, Fletcher and Mullen (2012) pointed at the need for educational mentoring and coaching for learning.

(d) Community service

This is a system for providing support to sustain and nurture the functioning of individuals, families and groups to maximize their potential for development and to enhance community well-being. It involves a wide range of activities and services which aim to assist and improve the wellbeing of individuals, families and communities.

Human Capital Management and academic excellence: the Nigerian perspective

In recent times, there has been a remarked scarcity in the quality of academics in Nigeria universities. This has led to decline in job performance of academics in the areas of knowledge production and quality teaching which can only be informed by research and development. This challenge has seriously undermined the laudable objective of setting up the university educational system in Nigeria as stated in the National Policy on Education (NPE, 2004). Existing discussions push the blames on lecturers (Dauda & Mohammed, 2012; Mohammed & Abdullahi, 2011). The capacity and acumen of the trainer (academics) into the process of producing quality graduate is a critical factor. In this wise, low human capital development of the academics in the university system contribute to poor graduates turn out. The problem stem from the poor quality of academics that is deficient in relevant knowledge, skills and abilities. Previous research on quality of education in the Nigeria tertiary institutions has provided significant insight into factors that could have been responsible for our poor level of education (Asiyai & Oghuvbu, 2009; Asiyai, 2013). As noted by Asiyai and Oghuvbu (2009) and Asiyai (2013), lack of vibrant staff development programmes in

our tertiary institutions for training and re-training of academics is a leading cause of this poor job performance. Many have also attributed low human capital development in the sector to poor investment on the part of individuals, management and government. Low human capital development is experienced in both public and private universities. The owners of these universities whether government or private individuals, find it difficult to sponsor lecturers on seminars, conferences, and short courses claiming lack of fund. Available record shows that the Nigerian education sector has consistently received less allocation than advocated by United Nations' Education, Scientific and Cultural Organisation (UNESCO) (Nzeh, 2012).

The standard funding requirement for education prescribed by this UN agency is that every country should allocate at least 26 percent of its annual budget to its education sector (Federal Ministry of Finance, 2010). On the average, Nigeria spends less than nine per cent of its annual budget on education. This may be the reason why Nigeria scored on the 2010 Global Competitiveness Index (GCI) was 3.38 which gave her rank of 127 out of the 139 countries surveyed (GCI, 2011). In the same vein, the 2010 Human Development Index (HDI) values for Nigeria was 0.423 placing her in the 142nd position among 169 countries with comparative data, whereas Ghana ranked 130 with HDI value of 0.467 while South Africa placed 110 with HDI value of 0.597. In the three categories of high, medium and low human capital development, Nigeria was grouped among countries considered to have low human capital development (UNDP, 2010). Conversely, a report by World Bank 2012 on the annual budgetary allocation for 20 countries shows that Nigeria is at the last position with percentage allocation to the education sector at 8.4% whereas country like Ghana occupied first position with allocation to the education sector of 31.0% as South Africa and Kenya 5th and 8th positions with percentages of allocation to education sector at 25.8% and 23.0% respectively.

Several attempts have been made by government to reverse the deteriorating trend in the university system, among which is the introduction of tertiary education trust fund (Tetfund) to meet the need of the academics in order to develop them. The ugly part of this is that many of the beneficiaries have abused the fund while some academics have refused to explore the opportunities due to one reason or the other. Academics in the private universities have also criticized their exclusion from the fund. Rotimi Ajayi (2013) supported the notion that it is very wrong for the educational authorities in the country to exclude the private universities from the funding opportunities offered by the Tertiary Education Trust Fund (TETFund) just on the weak claim that they are privately-owned. It has been observed that educational institutions (public and private) in

developed countries like the United States, United Kingdom and Canada are heavily funded by governments as they realize that their success is the governments' success. It is when these institutions are strong and viable that the government would be able to derive the greatest benefits in taxes, social development, employment generation and benefits of social re-engineering from them."

Theoretical framework

Quite a number of theoretical grounds can be explored to explain the relationship between the variables in this study. Human capital theory can be associated with the resource-based view of the firm as developed by Barney (1991). This proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. Human capital theory views schooling and training as an investment in skills and competences (Becker, 1964; Schultz, 1960, 1961). The human capital theory (HCT) extended the ground as it prescribes education, training and skills acquisition as mechanisms for attaining productivity and workers' efficiency. It is thus imperative for higher institutions to develop its human capital since performance of academics contributes to students' academic excellence (Sharal & Ruchanita, 2012).

The cybernetic theory which explains the input-throughput-output model is also adoptable in this study. The input, throughput, and output or outcome: (1) input in this model includes human knowledge, skills, and abilities; (2) throughput, which is transformation of input, refers to human capital development; and (3) output, which results from input and throughput phases, can be performance or delivery. This cybernetic systems model suggests that human capital development results in employee competence, such as knowledge, skills, and abilities (input); and employee competence leads to employee behavior (throughput), which subsequently influences employee performance (output).

Lastly, the study also adopts the Labour process theory which was originally formulated by Karl Marx and expanded by Newton and Findlay (1996). This theory argues that the concept of regarding people as assets is limited, indeed questionable, because: workers should not be treated as passive assets to be bought, sold and replaced at the whim of their owners – increasingly, they actively control their own working lives; the notion that companies own human assets as they own machines is unacceptable in principle and inapplicable in practice; it shortchanges people by placing

them in the same category as plant and equipment; no system of 'human asset accounting' has succeeded in producing a convincing method of attaching financial values to human resources; in any case, this demeans the more intangible added value that can be delivered to organizations by people.

Methods and instruments

The research design adopted for this study is the descriptive survey method because of its appropriateness when a relatively large sample of people is to be covered from a pre-determined population. The survey data was obtained from three hundred and ninety-eight (398) academic and non-academic staff of three state universities in Southwest, Nigeria. These universities are Ekiti State University, Lagos State University (LASU), Tai Solarin University of Education (TASUED). Self-administered questionnaire was adopted as the research instrument and summated scores were calculated on a 5-point Likert scale. The measurement scales were adapted from previous studies with a reliability result in table 1 below. Essentially, the secondary data was used to develop a proper conceptual and theoretical framework for this study. The responses obtained were subjected to analyses with the use of Statistical Package for Social Sciences (SPSS) AMOS 21, and the adoption of Structural Equation Modeling (SEM) to obtain correlation between observed variables and also regression between the dependent and independent constructs of the study. The rationale behind the use of SEM is because it helps to combine measurement model or confirmatory factor analysis (CFA) and structural model into a simultaneous statistical test.

Table 1. Reliability result

Construct/Variables	No. of items	Cronbach's Alpha (Decision Rule)	Cronbach's Alpha (Results)
Leadership_Practices	7	> 0.7	0.76 (Reliable)
Learning_Capacity	7	> 0.7	0.87 (Reliable)
Workforce_Optimization	8	> 0.7	0.88 (Reliable)
Knowledge_Accessibility	8	> 0.7	0.85 (Reliable)
Workplace_Culture	7	> 0.7	0.81 (Reliable)
Mentorship	8	> 0.7	0.89 (Reliable)

Results and discussion

As depicted in Table 1, the sample for the survey comprises of two hundred and forty eight (248) males, indicating that 62.3 percent of the respondents are males; and one hundred and fifty (150) females, indicating that 37.7 percent of the respondents are females. The demography of the sample indicates that 62.1 percent are below 40 years while 37.9 percent of the respondents are 40 years and above. Significant proportions of the respondents are married (78.1 percent), while insignificant had been married at a time (10 respondents are divorcees) with 21.9 percent of the respondents are unmarried. Similarly, a significant proportion had been on the payroll of these universities .With reference to the respondents' demography, the sample may be considered as a rich data for this survey. This can be depicted in table 2 below.

Table 2. Respondents' demographic characteristics

Demographic Var.		Percentage (N=398)
Gender:	Male	62.3
	Female	37.7
Age:	Below 30 years	13.1
	30 - 39 years	49.0
	40 - 49 years	30.6
	50 years & above	7.3
Marital Status:	Single	21.9
	Married	78.1
Tenancy (Overall):	0 - 5 years	32.7
	6 - 10 years	51.8
	11yrs and above	15.5

Source: Field Survey, 2015

As cited in Adeniji, Osibanjo and Abiodun (2013), various indicators of goodness-of-fit are adopted in research models (Bentler & Wu, 2002; Kaplan, 2000). However, it is argued that the greater the number of the indices, the more the assured probability of a good fit. Therefore, for a model to be accepted, the Normed Fit Index (NFI) =>.90; while the Comparative Fit Index (CFI) cut-off value => .90 (Bentler & Bonett, 1980). Essentially, in order to avert the disagreement and illogical results of chi-square tests, other indices of model fit such as Root Mean Squared Error of Approximation (RMSEA) and CFI are argued to be informative measures of how close the model corresponds with the data. The model fit summary for the survey is illustrated in Table 3.

Table 3. Model Fit Summary

Model-fit Index	Score
Chi-square/Degree of Freedom	.235
Goodness-of-fit (GFI)	.962
Comparative Fit Index (CFI)	.955
Incremental Fix Index (IFI)	.961
Normed Fit Index (NFI)	.912
Root Mean Square Error of Approximation (RMSEA)	.000

Source: Survey, 2015

The goodness of fit of a model explains the degree in which it fits the observed and expected values. In comparing the scores obtained from the analysis with the recommended cut-off value, it could, therefore be concluded that the research model is perfect and acceptable fit. This has also been depicted in table 4 and figure 3 below.

Table 4. Standardized Estimates of Covariance among Exogenous Variables

			Estimate	S.E.	C.R.	P	Label
Retention_ efficacy	<---	Leadership_ Practices	.020	.071	.399	.690	H ₁ _Accept
Retention_ efficacy	<---	Learning_C apacity	.032	.051	.778	.437	H ₂ _Accept
Retention_ efficacy	<---	Workforce_ Optimizatio n	.890	.044	11.041	***	H ₃ _Accept
emp_engag ement	<---	Knowledge_ Accessibilit y	.031	.094	.451	.652	H ₄ _Accept
emp_engag ement	<---	Workplace_ Culture	.295	.070	3.757	***	H ₅ _Accept
emp_engag ement	<---	Mentorship	.461	.099	5.742	***	H ₆ _Accept

(Bontis & Serenko, 2009; Seleim et al., 2007); leadership style (Salau, Falola & Akinbode, 2014); access to knowledge (Athley & Burnside, 2007); mentorship (Frank & Taylor, 2004) and employees involvement.

Conclusion and managerial implications

Investments by employers in training and developing people is a means of attracting and retaining human capital as well as getting better returns from those investments. However, employers need to remember that workers, especially knowledgeable workers, may regard themselves as free agents who can choose how and where they invest their talents, time and energy. As important as human capital may be, interests should not divert attention from other aspects of capital such as; intellectual capital, social and organizational capital, that are concerned with developing and embedding the knowledge possessed by the human capital of an organization. Furthermore, it was discovered from the findings that the management of human capital is positively influenced by the leadership practices; learning capacity; workforce optimization; knowledge accessibility; workplace culture and; mentorship. The findings also depicted that the importance of managing human capital is not only to motivate workers and boost their commitment but also to create an outlay for enhancing individual competencies and employability which eventually pave way for the generation of new knowledge for the organization and society in general.

In conclusion, management of human capital in the selected universities has contributed in stimulating the skills, knowledge and aptitudes necessary to undertake required job efficiently and lessen physical risks. Therefore, government, managers and other policy makers should continually take these factors into consideration when formulating their employment policies and philosophies in order to have more productive workforce and sustain competitive advantage.

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