

Human Capital and Labour Productivity: The case of Nigeria

Adamu Jibir¹, Musa Abdu², Abdullahi Buba³, Farida Bello⁴, Aisha Adamu Hassan⁵

Human capital is nowadays considered as a key element that can be utilized to achieve organisational objectives. Firms always try to effectively to managed their workforce through human capital development in order to achieve not only business objectives but also business survival and sustainability. It is important to study what factors influence the productivity of firms and the size of the influence since the productivity of firms is recognized as the most important factor determining economic wellbeing at the regional as well as the national level. Firms are naturally influenced by their own attributes and resources. Thus, the study aims to investigate the role of human capital components on labour productivity among firms in Nigeria. The study uses Nigeria Enterprise Survey data set covering 2640 business establishments, involved mainly in retail, food, hotel and restaurant, furniture, non-metallic mineral products, garment and publishing, printing, and recorded media. The study used generalized least squares to estimate the specified model. Empirical results from the study indicate that physical capital, employee's education, promotion, labour earnings, as well as research and development in Nigeria were positively associated with labour productivity. These results have important policy implications for the targeting policy prescriptions to increase business enterprises' productivity and competitiveness. The study recommends that firms and government should invest more on human capital through training, education, seminars, R&D and workshops for the continued development of business activities in Nigeria.

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¹ Department of Economics, Gombe State University – Nigeria. adamujibir@gmail.com

² Department of Economics, Gombe State University – Nigeria. musaabdu87@gmail.com

³ Department of Economics, Gombe State University – Nigeria. abdulmaikano85@gmail.com

⁴ Department of Economics, Gombe State University – Nigeria. farimo15@gmail.com

⁵ Department of Economics, Gombe State University – Nigeria. adamudean@yahoo.com