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## Human Capital Development and Corporate Sustainability

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**Abstract:** *The study surveys the association between human capital development (HCD) and corporate sustainability (CS) of the food and beverage firms in Rivers State. Ninety employees of five randomly selected firms constitute the population of the study. The instruments, a questionnaire was administered to 73 employees that are the sample size. The findings show a significant relationship between human capital development and corporate sustainability of the food and beverage firms in Rivers State.*

**Keywords:** *Human Capital Development, Personnel Sustainability, Financial Sustainability and Strategic sustainability*

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### INTRODUCTION

Sustainability inspires organisations to find important clues and decide on the effect of the environment, technology, globalization and all forms of capital that influence the business growth. Human capital harnesses all other forms or capital and activities in the organisation. According to Slaus & Jacob (2011) studying sustainability requires knowing all forms of capital and their complex relationship and how they derive their values, usefulness and intellectual awareness. Attaining sustainability encompasses more than good market potential, adequate financial resources and efficient production system in an organisation. It entails meeting the present needs, not conceding the future needs, and requires human efficiency in driving the organisation wealth, resources and technology. Employees need constant development to meet challenges and higher responsibilities and attain sustainability. The organisation productivity rely on human innovation and creativity, as equipment and technology are products of their mind.

Nigeria possesses natural and human resources but is yet to realise their full potential. Despite having independence since 1960, Nigeria depends on expatriate from other countries to tap her natural resources. The institutions of learning in Nigeria are not adequately equipped to provide the total skills and knowledge required and the skills gained before joining the company is not enough, employees require continuous competence development for improvement as successful performance of duties requires the acquisition of relevant skills and knowledge. The researcher observed a decay in infrastructures, poverty, environmental negligence, corruption and inadequate government funding of the education sector, inadequate training and development. Political instability has resulted in regular changes in education policies. Low funding of education and training results in low quality of education. Many institutions now produced unqualified employee. How can a country produce valuable talent when these institutions are neglected and the resources needed for productivity are not available? The world is a global village with competitive pressure, meeting needs without compromise of future needs is globally trendy, but requires a long continuous process and procedures. The inability of many

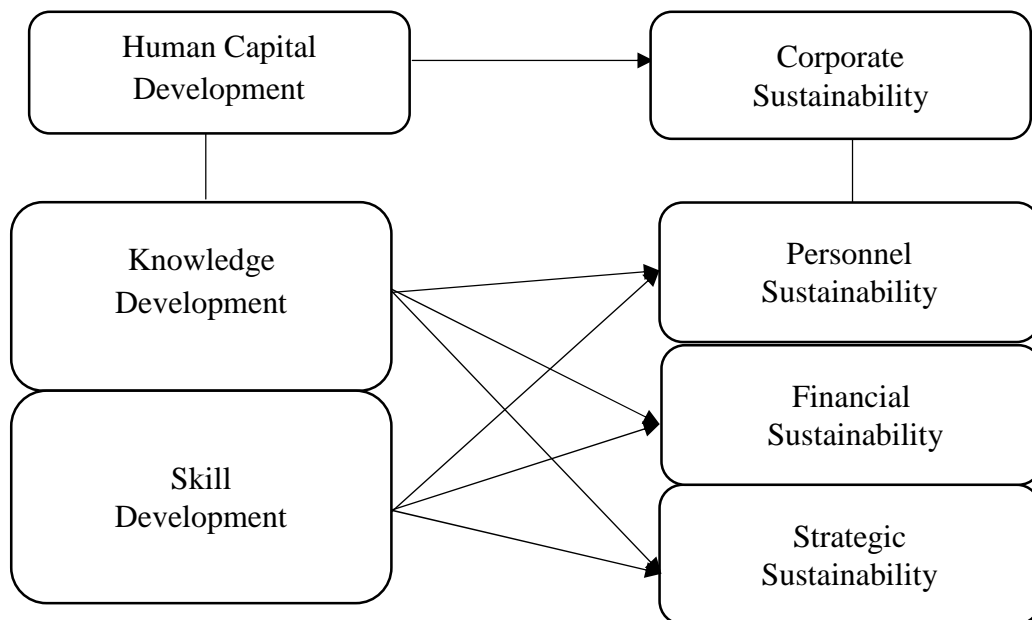
firms to focus on HCD and sustainability results in their collapse, hence the researcher examines if HCD in terms of knowledge and skills development can enhance corporate sustainability. The study examines the influence of HCD on corporate sustainability in the beverage sector in Rivers State.

### RESEARCH HYPOTHESES

- Ho<sub>1</sub> Knowledge development does not relate to personnel sustainability.
- Ho<sub>2</sub> Knowledge development does not relate to financial sustainability
- Ho<sub>3</sub> Knowledge development does not relate to sustainability
- Ho<sub>4</sub> Skill development does not relate to personnel sustainability.
- Ho<sub>5</sub> Skill development does not relate to financial sustainability
- Ho<sub>6</sub> Skill development does not relate to strategic sustainability.

### LITERATURE REVIEW

Human capital is an embodiment of knowledge, a productive, valuable asset that generates added value to the organisation. Human capital as a valuable asset for creating goods. This implied that human capital has the responsibilities of ensuring smooth economic activities such as production, transaction and consumption to generate added value. Human capital development is the progression, empowering and fulfilling of potentials. (Ibok & Ibanga, 2014). Human capital is the totality of skills, abilities and knowledge used in creating economic value for society. Human Capital Development increases skills, competency and experience, needed for economic growth. The constant variations in the technology and environment require the best of talent and knowledge for competition and adequate development to meet the fast changes in technology and environmental challenges.



**Fig. 1: Operational framework of HCD and CS.**

Source: Researcher (2020).

Knowledge is generating awareness, understanding, perceiving, discovering and learning (Wikipedia 2019). Development is a growth process or changes that bring advancement (Cambridge English Dictionary, 2019). Knowledge development is creating, sharing, using, managing and advancing a justified truth in the organisation. Job complexities and technological changes involve constant knowledge development. Employee productivity cannot be assured in a complex environment without meeting the required knowledge and competency, as basic school knowledge is inadequate, constant knowledge development is required in meeting with innovative changes at work. To acquire knowledge, employees should be well trained. Continuous knowledge improvement is important in meeting the trend of globalisation and environmental changes and industrial competition. Innovative excellence is the driving force in global competition and not the natural and financial wealth of the organisation, therefore organisations should continually improve workforce to be knowledgeable and competent. To ensure growth, productivity and survival, moving with time is a necessity by all organisations. All organisations need productive, knowledgeable and experienced personnel in a complex and dynamic environment (Rahman, 2014).

Technology and liberation of trade made globalisation a success and only organisation with a knowledgeable workforce can withstand the complexities arising from it, thus for an organisation to survive, they should have a trained workforce that can achieve their goals and aims. Tacit and explicit knowledge has a great impact on increasing the efficiency and effectiveness of the employee and organisation. Knowledge and sustained learning are crucial in business; how we develop, process and keep information advance progression and accomplishment. Every manager should speed up their learning process, develop techniques for consolidating successful patterns and create a system for understanding complex or difficult subjects. Firms now realise sustainability requires knowledge. Newer knowledge management theories explain why modern companies are increasingly selling knowledge or incorporate it into their intelligent products. Creating a new value is achieved by creating new knowledge and its exploitation. Intellectual property becomes the company's most valuable asset.

A skill is performing a task with results within a given time, energy, or both (Wikipedia, 2019). Skills development is recognising skill gaps and developing the skills. In goal achievement, skills are the tools needed. Life of human beings is for skills development or acquisition, as we learn to walk, talk, and feed. This learning occurs through constant repetition until it becomes a subconscious act. This same pattern is used in acquiring skills in life. Skill development is important for better opportunity, careers prospects, future development, and nurturing. A skill enhancement program is essential in an organisation, the organisation should identify the skills to developed to achieve the organisation goals and objectives. With the fast-paced nature of technology, skills and method used today will not be practical in the future. Skill development of existing staff members saves the cost associated with recruiting outside help and the training makes them more productive.

Sustainability is a guide for economic and social policy making and ecological conditions (Seghezze, 2009), attaining worldwide prevalence (Martínez & Bosque, 2014), achieving present-day needs, without conceding future generation's needs. (WCED,1987 in Montiel & Delgado-Ceballos, 2014). Sustainability are processes and actions used by humanity to explain natural system functions, to void the depletion of natural resources, remain diverse, productive, keep ecological balance, meet needs and create the long-term shareholder value.

Sustainable development was advanced in 1987 in the Brundtland Report (WECD, 1987), which measured the proper management of natural resources, justice, equity and ethics as the basis to preserve the planet and long-term subsistence (Baumgartner, 2014) and eventually discussed in academic literature as a fair process which requires the integration of social equity, economic and the environment, whose aim is focused on human development. This implies that sustainability involved three pillars. The economy, society and environment. It describes professional practices applied in social, ethical, environmental and economic considerations and how stakeholders influence sustainable business behaviours.

A sustainable employee is a productive workforce. They determine the social, economic and ecological development. Therefore, when the organisation hires and develops their employees, they are raising a sustainable employee who thinks beyond receiving income but a competent, industrious, determined, resourceful employees who are inclined in making impacts on the environment, the customers and creating initiatives that attract financial sustainability.

According to the International Economic Development Program (2016), sustainability initiatives require specialised knowledge, which should be cultivated at all levels. Focusing on sustainability practices brings higher resourceful purpose. Management should support and motivate employees by providing career development. Thereby, creating a valuable, sustainable employee that is equipped with the skills that's nurture innovation, manage risk and transform the operating economic systems and enhance societal goals (Shaughnessy, 2020). Building sustainable personnel enables the organisation to create united, intelligent, creative, proactive employees with better work culture, work life balance and knowledge for impacting society.

The financial sustainability addresses the competitive advantages and values of organisations, the material wealth that enables economical sustainability for surplus and using business initiatives to manage operations and reduce the environmental impacts derived from production processes. Financial sustainability is an assessment of sufficient financial stability to execute projects and meet all resources and financial obligations (Govindaraju, & Mabel (2015); starting, growing and maintaining staffing business with short- and long-term financial stability (Adelman, 2020); maintaining beneficiaries (Humentum, 2020); obtaining revenues as demanded to sustain steady growth and produce results (Husin & Haron, 2020). Financial sustainability is a long-term financial goal, activities and strategies that withstand unpredicted times of financial hardship and generate returns. The organisation cannot generate revenue, nor become financially sustainable without the activities of man, as they are the major factors in economic growth. Their choices and actions determine the economic growth. They provide the fund, manage risks, finance costs and build reserves.

Strategic sustainability is defining the organisations long term purpose, stating the economic goal, creating a sustainable knowledge and competence, creating transformational changes, ensuring that employees manage economic, environmental, and social developments risks and making sustainability a vital responsibility in the organisation.

## **METHODOLOGY**

The study conducted a survey of five randomly selected firms in Rivers state, Nigeria. The population of study comprises 90 employees of the selected sample and the sample size was 73. Krejcie and Morgan 1970 table was used for the sample size. The instrument was a questionnaire rated on a 4-point Likert scale. The instrument items were collated and analysed with Spearman Rank Correlation coefficient at the 0.05 level of significance.

**RESULT AND FINDINGS**

**Table I: Correlation of Knowledge Development and CS**

		Knowledge Development	Personnel sustainability	Financial sustainability	Strategic sustainability	
Spearman's rho	Knowledge Development	Correlation Coefficient	1.000	.535**	.527**	.578**
		Sig. (2-tailed)	.	.000	.000	.000
		N	73	73	73	73
	Personnel sustainability	Correlation Coefficient	.535**	1.000	.554**	.536**
		Sig. (2-tailed)	.000	.	.000	.000
		N	73	73	73	73
	Financial sustainability	Correlation Coefficient	.527**	.554**	1.000	.498**
		Sig. (2-tailed)	.000	.000	.	.000
		N	73	73	73	73
	Strategic sustainability	Correlation Coefficient	.578**	.536**	.498**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	73	73	73	73

Source: SPSS Output, 2020.

The analysis in Table 1, demonstrate the association of knowledge development and corporate sustainability measures.

**Knowledge Development and Personnel sustainability:** The result shows a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.535^{**}$ . It indicates a positive relation between knowledge development and personnel sustainability. The null hypothesis,  $H_{01}$ , is rejected and the alternate accepted.

**Knowledge Development and Financial sustainability:** The result of the data in table 1 shows a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.527^{**}$ . The results reveal a significant link between knowledge development and financial sustainability. We therefore, reject the null hypothesis,  $H_{02}$ , and accept the alternate.

**Knowledge Development and Strategic sustainability:** The result of the data analysis reveals a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.578^{**}$ . Indicating an association between knowledge development and strategic sustainability. The null hypothesis  $H_{03}$ , is rejected and the alternate accepted.

The above results show that knowledge management is significantly related to CS.

**Table 2: Correlation of Skill Development and CS.**

		Skill Development	Personnel sustainability	Financial sustainability	Strategic sustainability	
Spearman's rho	Skill Development	Correlation Coefficient	1.000	.574**	.515**	.545**
		Sig. (2-tailed)	.	.000	.000	.000
		N	75	75	75	75
	Personnel sustainability	Correlation Coefficient	.574**	1.000	.525**	.585**
		Sig. (2-tailed)	.000	.	.000	.000
		N	75	75	75	75
	Financial sustainability	Correlation Coefficient	.515**	.525**	1.000	.525**
		Sig. (2-tailed)	.000	.000	.	.000
		N	75	75	75	75
	Strategic sustainability	Correlation Coefficient	.545**	.585**	.525**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	75	75	75	75

Source: SPSS Output, 2020.

Table 2 shows the relationship between Skill development and corporate sustainability measures. **Skill Development and Personnel sustainability:** The result shows a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.574^{**}$ . It indicates a positive significant relation between skill development and personnel sustainability. The null hypothesis,  $H_{04}$ , is rejected and the alternate accepted.

The outcome of the analysis above shows that skill development is significantly related to corporate sustainability.

**Skill Development and Financial sustainability:** The data in table 1 shows a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.515^{**}$ . The results reveal a significant connection between skill development and financial sustainability. We therefore, reject the null hypothesis,  $H_{05}$ , and accept the alternate.

**Skill Development and Strategic sustainability:** The findings show a significant level  $p < 0.05$  ( $0.000 < 0.05$ ),  $\rho = 0.545^{**}$ . Indicating an association between skill development and strategic sustainability. The null hypothesis  $H_{06}$ , is rejected and the alternate accepted.

## CONCLUSION

The study examined human capital development and sustainability of Nigerian food and beverage sector. Knowledge and skill development were used as the measure of human capital development, while personnel, financial and strategic sustainability was used as the measure of corporate sustainability. The findings revealed an association between HCD and CS.

## RECOMMENDATIONS

1. The firms should see human capital development as a sustainability tool.
2. The employees should be developed for continuous changing issues of sustainability.
3. The organisation should engage in strategic sustenance plans that foster development.
4. Management should make proactive efforts in career development.
5. The organisation should harness the employee's unique competence.

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