CAPACITY BUILDING AND UTILISATION

by

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I. INTRODUCTION

NECA as an organisation is interested in capacity building and utilisation, and hence, the smooth running of the educational system for a number of reasons, including:

• Our members draw most of their human resource input from the educational institutions at all levels;
• As stated earlier, human resource is the most valued asset in an organisation;
• The Association is represented on the Councils/Boards of almost government agencies and parastatals involved in education and training;
• NECA contributes to members of Accreditation Teams to Polytechnics/Colleges of Technology; and
• As corporate institutions and members of the Organised Private Sector (OPS), NECA members contribute to the funding of education, specifically to the 2 per cent Education Tax. It is, therefore, only natural to be interested in getting adequate returns on our investment via quality education and products.

Human capital refers, in general to the productive capacity of the people in an enterprise or a nation as economic agents. Also, human acquisition of knowledge, skills and abilities through education and training for productive purposes constitute human capital. Capacity building, could, therefore, be viewed as a series of activities, which an organisation, enterprise or even a nation needs to undertake to provide for itself on a continuous basis, a regular supply of skilled manpower to meet its present and future needs. The prosperity of any enterprise or even a nation depends, to a large extent, on the competence of its workforce (or people). As noted by Chief J. J. Akpieyi, “In the 21st century, the major source of competitive advantage will certainly lie not in technology, but in the dedication, the quality of the commitment and, above all, the collective competence of the workforce”.

As a resource and like some other factors of production, human capital has a life span, not in terms of life expectancy at birth, but life span measured by economically active period. In the Nigerian context, economically active period is usually between age 15 and 65 years, or at most 70 years.
II. HUMAN DEVELOPMENT FOCUS

The Report of the Vision 2010 Committee expects Nigeria by the year 2010,

“To be a united, industrious, caring and God fearing democratic society committed to making the basic needs of life affordable for everyone and creating Africa’s leading economy”

The Report acknowledges that:

The achievement of this vision calls for a paradigm shift in the mind-set of all Nigerians to imbibe new core values, norms and standards that would align with the requirements of global realities rapid technological change, globalisation and liberalisation. It also requires a change in the things the nation does and how it does them”.

The National Planning Commission in its 1996 Country Strategic Note (CSN) noted that the Structural Adjustment Programmes “did not directly target the most needy, rather the poor were expected to benefit from ameliorative programmes designed to cushion the impact of economic adjustments or from the trickle-down effect of growth-centred policies. The biggest challenge facing Nigeria is to adopt appropriate development policies and implement corresponding programmes that would enable all its inhabitants (human resources) to improve on their well-being”. The Nigerian experience during the SAP era points to the fact that economic growth alone neither guarantees nor ensures that the benefits of growth will reach the poor. There is, therefore, the need for a new approach that places human beings at the centre of development and at the centre of all social and economic policies.

The maiden edition of the UNDP Human Development Report in 1990 states that: “human development is a process of enlarging people’s choices”. The key elements of the Human Development Index (HDI) include life expectancy, education and basic purchasing power. These elements are used as proxies in measuring the extent to which people benefit from the development process. Within this perspective, no growth is considered worth its purpose if it is not translated in human development terms. In other words, development must be seen as improvements in peoples’ standard of living.

The World Summit for Social Development in its declaration at Copenhagen, Denmark in March, 1995 committed the 186 participating countries (including Nigeria) to “promoting the goal of full employment as basic priority of our economic and social policies, and to enabling all men and women to attain service and sustainable livelihoods through freely chosen productive employment and work”
III HUMAN CAPITAL DEVELOPMENT IN NIGERIA (IN PERSPECTIVES)

The World Employment Report, 1998/99 reports that “in spite of some noticeable economic growth, the social condition of African people has continued to deteriorate, with about two-thirds living in absolute poverty-measured as living below income of US$1 per day. Employment growth has been lower than that of expansion in the labour force. Only about 10 per cent of Africa's labour force work in the formal sector (public and private). The remaining percentage is either unemployed or less productively employed (underemployed) in the booming informal sector (estimated to employ over 70 percent of Africa labour force). About 9.29 per cent growth per year of the economically active population is predicted between 1999 and 2010, implying that about 8.7 million new job seekers will be entering the labour market each year. Growing poverty and unemployment have been associated with negative indices of development in the entire continent. They include high levels of adult illiteracy, ranging from 16 per cent in South Africa to 79.3 per cent in Burkina Faso, with Nigeria, 40.5 per cent.

By virtue of its size, natural resources and economic importance, as a major exporter of crude oil, Nigeria should be a major factor in sub-Saharan Africa. The country could also boast of a higher number of tertiary institutions than the rest of the sub-Saharan Africa put together. However, the situation on ground does not present any better picture. According to the Human Development Report 1999, Nigeria is ranked 146 (as against 142 in 1998) out of 174 countries covered in the report, and falls within the low human development. South Africa, Gabon, Ghana, Cameroon and Congo fall in the medium human development and are ranked 101, 124, 133, 134 and 135 respectively. Furthermore, reports from the sixteen-year survey (1980-1996) by the Federal Office of Statistics indicate that 65.6 per cent of Nigerians were living below the poverty line in 1996. Translated to figures, there were 67.1 million poor people in Nigeria out of the estimated 102.3 million people in 1996. The poverty levels were 27.2 and 46.3 per cent in 1980 and 1985 respectively.

In spite of the various attempts to build human capital over the years, many development problems seemed to have stultified the initial attempts. Chinsman summarised as follows:

“excessive attention in respect of administrative /managerial personnel…than in respect of technical, scientific/professional, …medical and teaching staff of post secondary educational institutions

lower vacancy rates at the tertiary level in the faculties that are largely responsible for producing administrative and managerial personnel….than in the faculties that produce technical, scientific/professional personnel.

tendency for persons initially educated and trained for intermediate level positions, for which there tends to be acute shortages, to want to seek higher qualifications, that would entitle them to appointment and promotions to senior-level positions. One associated phenomenon of this pattern of organisational behaviour and the search for upward occupational mobility has been the perception of a wide gap in the remunerations and fringe benefits that are attached to the senior
positions, on the other hand, and the reliance on paper qualification rather than job experience and performance as the criteria for such mobility, on the other hand”

**IV MANAGEMENT DEVELOPMENT AND TRAINING**

Management and training are, according to Alo (1999), “the series of activities which an enterprise would need to carry out to improve its managerial capacity”. Management development is geared to achieve the following among others: to improve the performance of staff, to identify staff with potentials and provide necessary environment and support to realise the potentials, and to provide smooth management succession within an enterprise as much as possible.

For management development to achieve its objectives, the following requirements are crucial: a corps of self motivated staff, risk takers and not averters, provision of conducive environment which promotes excellence and foster progressive orientation and commitment of the management to support and encourage staff to grow.

Training, on the other hand, can be viewed as a continuous set of activities required to assist an individual to acquire knowledge, skills and attitudes necessary for the performance of a specific task or job. According to Armstrong (1998), training is aimed at achieving the following:

“to shorten learning time so that new recruits reach their peak of efficiency as quickly as possible, to improve the performance of existing employees, and to help people develop their capabilities so that the company can meet most, if not all, its future requirements for managers, supervisors and higher grade professional, technical and sales or production staff within the organisation”

While the concept of staff training (capacity building) and manpower development are closely interrelated, there exist the following differences in term of objectives, time scale, and focus of responsibility.

<table>
<thead>
<tr>
<th><strong>Staff Training</strong></th>
<th><strong>Management Development</strong></th>
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<tr>
<td>(Skill acquisition)</td>
<td>(Competence formation)</td>
</tr>
<tr>
<td><strong>Objective:</strong></td>
<td><strong>Time scale:</strong></td>
</tr>
<tr>
<td>relatively narrow</td>
<td>usually of short duration</td>
</tr>
<tr>
<td><strong>Organisation</strong></td>
<td><strong>Organisation:</strong></td>
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<tr>
<td>generally handled by one person</td>
<td>involves a much larger number of</td>
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<tr>
<td>(Training Manager)</td>
<td>functional managers including the CEO</td>
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Capacity building or Human Capital Formation could be through any or a combination of the following, among others:

- On-the-job training
- Off-the-job classroom
- Formal apprenticeship programmes combined with either or both of the above
• Rotation among a series of jobs, either as part of a job enlargement or an enrichment programme
• Tuition aid programmes to assist staff to become better qualified in their present assignments or for promotion
• Corresponding courses when staff are geographically remote from a training facility, work on rotating shifts, or face other circumstances that impede participation in other formal training programmes

In spite of the foregoing approaches to capacity building, the situation as of today in the country calls for a closer examination of the quantity and quality of the labour force and to determine whether or not what is available is what the economy needs. According to Chinsman, the following human resources practices have become popular in recent times:

• On-the-job training mode as the most preferred method of employee training;
• A recognition of the critical role of basic and continuous training (including re-training) in Nigerian work situations;
• Low investment in training and upgrading of skills, productivity and efficiency of the public sector;
• Reduction in the gross number of trainees, and the increased patronage of local courses rather than overseas programmes;
• Dominant role of educational qualification, particularly in the employment of civil servants; and
• Emphasis on the importance of federal character in the staffing policy of the various levels of public sector administration

In addition to the above observations, the experience of NECA members in the last few years with respect to recruitment of new hands reveal the following increasing problems in the educational system, especially at the tertiary level:

• A sharp deterioration in communicative abilities especially with respect to the use of English, both oral and written. This has compelled some of our member companies to invest in the running of remedial courses in the use of English.
• Inadequate practical exposure for science related and engineering graduates. The underlying factors include limited exposure of teaching staff to update themselves; inadequate teaching/learning materials for students; and shortage of teachers (or teaching time).
• The brain-drain phenomenon resulting in loss of teaching and non-teaching staff to local private companies, foreign tertiary institutions and international agencies, part time work to supplement income, political appointments and short term assignments with international agencies locally. Lack of and/or inadequate research funds and other facilities have also conspired to quicken the exit of research-minded lecturers.
• Inadequate funding and poor disbursement pattern
• Irregularities in access to education and admission policies (problems associated with quota system)
• Poor administration, and
• Cultism

Furthermore, the following pitfalls in the use of training and development identified by Alo, call for attention and redress if the objectives of using them are to be obtained: “needs analysis, implementation and information base”. It is
crucial for training and human resources managers (or consultants) to be abreast of the following information to be able to effectively and efficiently run training and development programmes. They are corporate goals and objectives, the organisation structure, job descriptions and specifications, records of performance for existing staff and detailed personal history record for new entrants. Others include the corporate plan of the business, manpower plan, personnel policies, career structure and paths and the labour market.

V UTILISATION

The issue of utilisation of available human resource is equally important if the whole objective of capacity building is to be achieved. There is the need for optimum utilisation of human capital in both the public and private sectors of the Nigerian economy. As noted by Chinsman, “the initial attempts to build human capacity faced the challenge of inappropriate utilisation and, in many cases, under-utilisation of many categories of the nation’s volume of manpower as a result of reckless disregard for consideration of the appropriate work skills mixes…”

In effect, every effort should be made to ensure that a square peg is put in a square hole for the benefits of stakeholders, the organisation, the staff and the economy as a whole. To achieve this, there is the need to improve the economic base to accommodate more human resource currently in the labour market. The government too, should ensure that in spite of the policy on quota system, only qualified persons are given political appointments, i.e. it should place a square peg in a square hole.

VI THE WAY FORWARD

We need to bear in mind that the whole essence of capacity building and utilisation is to improve the standard of living of the population. From the foregoing analysis, one will realise that there is still a long way to go if the objective of capacity building is to be achieved. Bearing in mind the on-going efforts of the democratic government of President Olusegun Obasanjo which include anti corruption bill, frontal attack on cultism, increased funding for education, actions are suggested along the following lines:

a. Provision of an enabling environment for business to thrive

There is increasing clamour for increased private sector funding and participation in the running of educational system in the country. For this to happen, conducive environment must be created for business to thrive and be competitive. Areas requiring urgent attention include inadequate and erratic power supply, epileptic supply of petroleum products, mal functioning telecommunication and dilapidating road network, security of life and property and high cost of funds.
b. Increased collaboration and cooperation between public and private sectors

Both the public and private sectors have complementary roles to play in capacity building and utilisation. Towards this, there is the need for more interaction and collaboration between both sectors to review the capacity gaps together with a view to ensuring that what the educational institutions are producing is what industry requires. Exchange programmes between the academia and industry will assist in fostering the spirit of togetherness among the planners, producers and the employers of labour.

c. Probity and Accountability

The need to ensure judicious use of the Education Tax and other similar funds cannot be over emphasised. The purpose for which the Education Tax was set up seemed to have been neglected in the recent past, in spite of billions of Naira realised so far. Composition of the Board of the Fund should reflect the true position of the owners (contributors). A situation where administrative expenses of such Boards are more than the internationally accepted limit will definitely defeat the purpose of setting up such institutions.

d. Monitoring of Educational Institutions

One is happy to note that autonomy is being granted our tertiary institutions. While this is a welcome development, autonomy should not be at the expense of quality. Government agencies that are charged with overseeing the educational institutions should brace up to ensure that funds released are judiciously spent and that quality is not compromised.

e. Quota system

The application of quota system of admission coupled with differing adult literacy rates also produces unevenness in the mental abilities of students, and the level of instruction. The result is that the output will not only be much lower in quality, the below-average candidates who manage to graduate remain so in the world of work.

There is, therefore, the need to ensure that implementing quota in admission is not at the expense of quality.

f. Vocational Training

This is one area that seems to me not adequately catered for. Since it is obvious that not every person will have access to or be able to fund formal education,
there is the need to ensure that those who are likely to be left behind have opportunities to be trained in vocational courses. The Industrial Training Fund has a responsibility to perform in this regard. In setting up the vocational institutions, copious note should be taken of comparative advantage of each area of the country.

VII. CONCLUSION

It has been shown that capacity building and utilisation efforts are still open to a lot of initiatives. There is the need for synergy on the part of both public and private sectors for optimum results, and this will be a critical success factor in the years ahead. There is also the need for the pursuit of capacity building that can equip people with the skills and competencies that are required both for employability and job creation as well as entrepreneurial development. It, therefore, follows that individuals, enterprises, governments and society will have to invest in capital development and utilisation. Government too has the responsibility to create a conducive environment for business to thrive and for industry to play the expected driver’s role in the emerging economic scenario.

I thank you for your attention.