

EFFECTS OF HUMAN RESOURCE WASTE ON PRODUCTIVITY IN NIGERIA

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ABSTRACT

Human Resource attitudes and commitment towards work goes a long way in determining the nation's level of economic productivity. The main objective of this study is to examine the effect of human resource waste on productive in Nigeria. A descriptive research method was adopted for this study using two hundred and thirty two valid questionnaires which was completed by in Abeokuta Metropolis, Ogun State, South-West Nigeria using simple random sampling technique. The data collected were carefully analyzed using percentage supported by descriptive statistics to represent the raw data in a meaningful manner. The results show that strong relationship exists between human resource waste and productivity. The summary of the findings indicates that there is strong relationship between the tested dependent variable and independent construct. However, government, employers of labour and decision makers should endeavour to create enabling environment where business can thrive and encourage young graduates to set up their business rather than looking for jobs that are not available.

KEYWORDS: Human Resource, Waste, Employee, Productivity, Unemployment, Underutilisation

INTRODUCTION

Productivity can be viewed as a result-based perspective of the firm (or individual, or government) that shows the relationship between input and output processes. (OECD, 2001). Improving productivity implies that every unit of input is well managed to achieve a greater proportion of output. In the contemporary society, many studies have focused on unemployment (Dabalén and Adekoka, 2000, Uwem and Ndem, 2013), demand for manpower and labour market (Ugwonah and Omeje, 1998, Godwin and Johnson, 2012). Meanwhile less attention is given to human resource waste. (William, 2010). Human Resource Waste in this study is defined as failing to utilize human capital or inefficient and unproductive use of human resources (AJA, 2011). Therefore, human resource waste include: unemployment, unused human skills and talents, absence of knowledge sharing; applying human capital in a way that have unacceptably huge opportunity cost; utilizing human resource extremely inefficient or unproductive ways, age discrimination, etc (AJA, 2011, William 2010, Brighenti, 2010). Besides, taking a part time job when you would prefer to work full time is a waste of human resource. Over the years, most of Nigerian who have acquired skills through formal education or vocational training wants a job to do for their living but the available job cannot accommodate the high number of prospects, therefore, their acquired skills are not optimally utilized, this can be termed a waste of human resource.

Felstead, 2007 identified job mismatch between the skills of the job-holders and the skills required at work as a waste of human resource. Job mismatch has been a nagging contemporary phenomenon. As opined by Idumange, 2004, a great number of skilled graduates get job outside their disciplines, which could be as a result of inappropriate relationship between educational system and economy. His findings revealed that about 83.9% of the engaged workforce are doing jobs that are not related to their discipline. Consequently, for the purpose of this paper, human resource waste describes a

system that is characterized by high rate of unemployed (skilled, semi-skilled and unskilled) labour force and underutilized workforce. It is to this end that this paper seeks to critically examine how the aspects of human resource waste impacts on productivity in the economy. The significance of this work stemmed from its objectives as follows:

- Examine how the aspect of human resource waste affect productivity
- Analyze the effect of unemployment on the nation's economy
- Evaluate the impact of underutilization and unutilized skills and talent on the economy development
- Analyze the effect of job mismatch on organizational performance.

The Significance of the Study

The survey became necessary because of the alarming rate of human resource waste and unproductive attitudes of employees towards work in the public sector in Nigeria. The study helps identify the challenges and subsequently proffer suggestions that will help

- Average Nigerian to identify his/her esteems and contributes his/her quota through personal profession and vocation to economic growth.
- Families will be better structured and managed through financial empowerment.
- Nigeria society will be enhanced culturally, economically and socially.
- Nigeria economy will boom and be reckoned with among the committee of nations.

Statement of the Problem

The rate at which human resource waste is growing in Nigeria has become a thing of concern and it is obvious that the steps taken by the government and stakeholders have not solve this problem. It is imperative to note here that, human resource waste is linked with unemployment, underutilization of skills, unused skills, age discrimination, inefficient/unproductive use of human resources, job mismatch etc all these directly or indirectly can affect the level of productivity of any organization or nation and are not being addressed.

LITERATURE REVIEW

Unemployment

Unemployment is the number of people available, able and willing to work that is without job (Balogun, 2003; Bello, 2003; Bannock, 1998). Unemployment refers to the share or percentage of the labor force that is without work but available for and seeking employment. (ILO, CIA Factbook 2012). According to National Bureau of Statistics (2011), unemployment rate is the number of people actively looking for job as a percentage of the labour force and the rate of unemployment in Nigeria has increased from 21.10 percent in 2010 to 24 percent in 2011. This situation is seen as a generalized waste of human resources. The unemployment has negative impact on productivity and economic growth of a nation Layard and Nickell, (1999). Meanwhile, about 40 million Nigerians who are willing and ready to work are without job and the enrolment in tertiary institutions keep increasing and graduates are been turned-out in large number while job opportunities are getting leaner (Kolade, 2013,) this is depicted in Tables 1 and 2. Robert, (2013) claimed that

the more the graduates the more the rate of unemployment and the more the level of unutilized acquired skills and education thereby resulting into a waste of Human Resource.

Table 1: Students Enrolments

	2006	2007	2008	2009	2010
Universities	765,522	109,6059	661,493	577,029	605,068
Polytechnics	303,190	258,877	233,045	222,273	229,805
Monotechnics	19,623	16,789	14,690	17,321	13,239
Colleges of Education	290,318	305,829	315,426	346,006	-

Source: FME/National University Commission/NBTE/Colleges of Education Commission

Table 2: Labour Statistics 2007-2011

2007-2011 Year	Population	Labour Force	Employed	Unemployed	Newly Unemployed	Economic ally Active
2007	144,925,607	59,294,283	51,763,909	7,530,374	463,323	81,448,191
2008	149,563,227	61,191,700	52,074,137	9,117,563	1,587,189	84,054,533
2009	154,349,250	63,149,835	50,709,317	12,440,517	3,322,954	86,744,278
2010	159,288,426	65,170,629	51,224,115	13,946,515	1,505,997	89,520,095
2011	167,912,561	67,256,090	51,181,884	16,074,205	2,127,691	92,384,738

Source: NBS/NCC GHS 2009, CBN Annual Reports, 2010, 2011

Table 3: Countries GDP and Unemployment Rate

Countries	Population	GDP (\$)	GDP Growth Rate	Labour Force	Unemployment Rate
NIGERIA	174,507,539	266.6 billion	7.4%	51.53 million	23.9%
MALAYSIA	29,628,392	300.6 billion	5.6%	12.9 million	3%
SOUTH AFRICA	48,601,098	379.1 billion	2.5%	18.06 million	25.1%
UK	63,395,574	2.443 trillion	0.2%	32.07million	0.2%
UNITED STATE	316,438,601	16.24 trillion	2.8%	155 million	8.1%
CHINA	1,349,585,838	8.11 trillion	7.7%	798.5 million	6.5%

CIA World Factbook 2012-2013 (est.)

Underutilization of Skills

Human Resource underutilization is a concept that covers underutilization of skills and other forms of mal-employment namely, insufficiency of the volume of work, low remuneration and incompatibility of education and occupation i.e skill mismatch (Geneva, 2008, Bosnia and Herzegovina, 2008). Underutilization has been identified as individuals likely to be those working in less skilled occupations, idleness as a result of insufficiency of work volume etc (Flynn, 2003; Wooden, 1993; Nord, 1989; Jensen and Slack, 2000). There is nothing more demoralizing than feeling

underutilized by workers with high skill levels taking job that is not proportional to his level of skills and ability and if they stay too long in this situation, the skills they gained from their degrees can deteriorate from disuse or become out of date.

Job Mismatch

Job mismatch has been a nagging contemporary issue and less attention is given to it (Werfhorst, 2001; Idumange, 2004) posited that a great number of higher education graduates get job outside their disciplines which could be as a result of incongruous relationship between education system and economy. Meanwhile, if the level of education acquired by the employees exceeds the level of education required to perform jobs adequately is a job mismatch and as well a waste of human resources (Wolber, De-Graaf, & Ultee, 2001)

Age Discrimination

Skilled and experienced workers are necessary for success of any organization and the absence of such employees always results in failure, thus organization should harness the value and the experience these employees are bringing for optimal productivity. According to a research conducted by Malatest & Associates 2003, in Canada, a growing number of older adults are returning to the workforce after retirement because they are still economically active even after the statutory retirement age. They posited that nearly 69% of those retired workers aged 50 to 54; either went back to work full time or part-time within two years of retirement of those retirees aged 55 to 59, 39% went back to work, while 11% of those over 60 decided to go back to work after retirement.

Further from personal experience early retirement is not a personal choice as some persons are still economically active but are force out by the retirement policy. Meanwhile, in the recent times, many organizations prefer to recruit fresh graduate of less than 28 years while those above find it difficult to secure the job of their choice. The Human Resources team should therefore explore how the positive attitudes and reliability of older staff can be channeled into a competitive edge and improves economic growth.

Able-Bodied Street Hang-Outs

Several thousands of young able bodied men and sometimes, women who hangs out on the street and touts are qualified for decent jobs. (Godwin and Johnson, 2012). Virtually in all states of Nigeria we have some of them who specializes in begging for an arm on a daily bases to meet their socio-cultural needs. Meanwhile if they are giving job, they will be more productive in any chosen career.

Theory of Human Resource Management

Miles 1965 posted that all workers are reservoirs of untapped resources that the organization can take advantage of through favourable working environment and policies. To him, each and every worker comes into an organization with a variety of resources that management can tap into. He further emphasized that the resources include not only physical skills and energy, but also creative ability and the capacity for responsible, self-directed, self-controlled behavior. Miles opined that for organization or employers of labour to earn employees commitment, they should not only focused on controlling employees or getting them to “buy-in” to decisions, which are the characteristics of scientific management and human relations. Instead, the primary task of management should be the creation of a working environment that fosters employee creativity and risk taking in an effort to maximize and tap into the resources that employees bring to the job. Miles explained that his human resources model “recognized the untapped potential of most organizational members and

advocated participation as a means of achieving direct improvement in individual and organizational performance.” In another development, Douglas McGregor’s Theory X and Theory Y 1960 noted that some people are naturally lazy and do not like work. He identified rewards or punishment as factors that can make them work. Be that as it may, the theories are very useful, because they alert the management or employers of labour what they need to do to earn employees optimal performance toward the actualization of the organization optimal productivity

Hypotheses

As obtained in the literature, Human Resource Waste includes Unemployment, Underutilization of skill, falling to utilize Human Resources at all, inefficiency and unproductive ways of utilizing Human Resource (AJA section 372, Robert, 2013). These tend to influence National economic growth or productivity; therefore we propose the following hypothesis:

H₁: Unemployment has negative impact on economic growth of Nigeria

H₂: Underutilization/unused of acquired skills has a negative effect on nations/employee productivity

H₃: Job Mismatch affects employee/organization productivity

Research Model

This study will give attention to the effect of Human Resource Waste on productivity in Nigeria using Abeokuta Metropolis as a case study. However as obtained in the literature reviewed above, we proposed the following model depicted in figure.

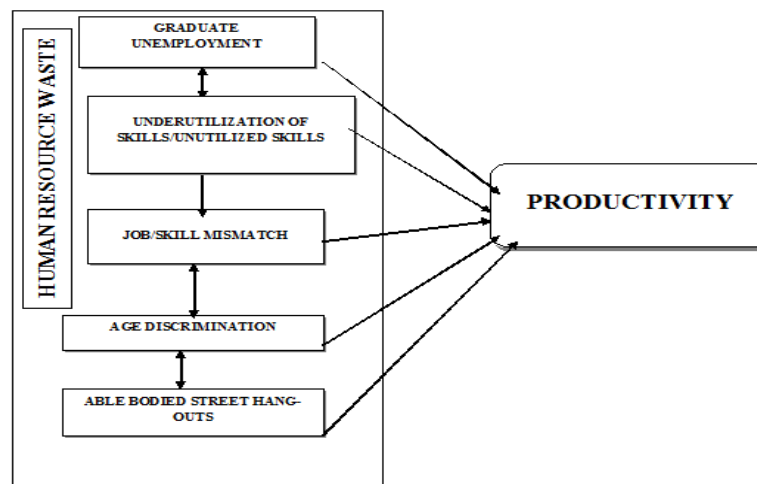


Figure 1: Proposed Study Model

Research Methodology

The empirical data for the study were collected through a well structured questionnaire, which was prepared and distributed among the respondents in Abeokuta Metropolis, Ogun State, South-West Nigeria. Purposive and convenience sampling methods were adopted in selecting the participants for this study. The research instrument was divided into two sections, the first tends to obtain the respondent biodata while the second part contains the items regarding the constructs of the subject matter. Five-point Likert scale (5-Strongly Agreed, 4- Agree, 3-Undecided, 2-Strongly Disagree, 1-Disagree) that best describes the extent to which the respondents agree with each items in the questionnaire was used.

Descriptive and inferential methods of analysis were used to analyze the data. The descriptive method was based on percentage while the inferential method of analysis employed descriptive statistics. The opinions of the respondents on each question were weighed using simple percentages. This is done so as to ascertain the average opinion of the respondents. A total of 280 copies questionnaires were administered within the scope of selected location, having sorted the returned questionnaires, only 232 copies of questionnaires representing 83% were validly used while 48 copies (17%) were either discarded due to improper filling or unreturned. The study tends to add to the existing study on Human Resource issues and productivity.

RESULTS & DISCUSSIONS

Respondents Demography

Table 4: Demographic and Socio-Economic Characteristics of Respondents

	Frequency	Percentage
Sex		
Male	150	64.7
Female	82	35.3
Total	232	100
Age		
20-29	62	26.7
30-39	84	36.2
40-49	54	23.3
50 yrs & Above	32	13.8
Total	232	100%
Marital Status		
Single	94	40.5
Married	132	56.9
Others	06	2.6
Total	232	100%
Educational Qualification		
WAEC/GCE/NECO	16	6.9
OND/NCE	26	11.2
B.Sc/BA/HND	148	63.8
M.Sc/MBA & Above	42	18.1
Total	232	100%
Year of Experience		
1 – 9	64	27.6
10– 19	130	56
20 years &above	38	16.4
Total	232	100%

Source: Researcher's Analysis of Field Survey, 2014

Further to Table 4, 152(64.7%) of the sample size was male while 82(35.3%) were female, which implies that the population of male respondent is higher than female. Meanwhile, 194(62.9%) (cumulative) of the respondents were within an economically active population. Moreover, 132(56.9%) of the respondents were married, while 94(40.5%) were single and 6(2.6%) were either divorced or separated, though the reason for their present marital status could not be ascertained as at the time of documenting this report. Regarding the years of work experience; 130(56%) of the respondents had worked between 10 and 19 years; while 64(27.6%) have put in between 1-9 years; 38(16.4%) have spent 20 years and above, which makes the respondents authority in responding to questionnaire.

Hypotheses Testing

Table 5: H₁: Unemployment has Negative Impact on Economic Growth of Nigeria

S/N	VIEW	SA	A	U	D	SD	Mean
1	Graduates unemployment is responsible for low output in Nigeria economy	114	60	-	26	32	3.85
2	Skills gained by graduates can become out of date if they stay too long before getting jobs	84	92	16	20	20	3.9
3	Encouraging youths to venture into entrepreneurship will reduce the rate of unemployment.	120	60	16	22	16	4.1

Sequel to table 5, Graduates unemployment is responsible for low output in Nigeria economy (Mean = 3.85). In addition, most of the respondents agreed that Skills gained by graduates can become out of date if they stay too long before getting jobs (Mean = 3.9). Majority of the respondents also agreed that Encouraging youths to venture into entrepreneurship will reduce the rate of unemployment. (Mean = 4.1).

Therefore, it would be concluded that unemployment has negative effect on economic growth of Nigeria. The alternative hypothesis which stated that unemployment has negative impact on economic growth of Nigeria was accepted by this study.

Table 6: H₂: Underutilization/Unused of Acquired Skills has a Negative Effect on Nations/Employee Productivity

S/N	View	SA	A	U	D	SD	Mean
1	Unused talents and skills can Squander human capital essential to the Nation's economic vibrancy and growth	130	72	-	10	20	4.2
2	Staff working in an environment where they are underused are not contributing optimally to productivity rates	132	70	-	12	18	4.2

Following from table 6, unused talents and skills can Squander human capital essential to the Nation's economic vibrancy and growth (Mean = 4.2). In addition, most of the respondents agreed that Staff working in an environment where they are underused are not contributing optimally to productivity rates (Mean = 4.2). Therefore, it would be concluded that underutilization/unused of acquired skills has a negative effect on nations/employee productivity. The alternative hypothesis which stated that underutilization/unused of acquired skills has a negative effect on nations/employee productivity was accepted by this study.

Table 7: H₃ Job Mismatch Affects Employee/Organization Productivity

S/N	View	SA	A	U	D	SD	Mean
1	The commitments of fresh graduates that take up a low-paid jobs are relatively low	88	60	14	40	30	3.6
2	A great number of higher education graduates get jobs outside their discipline.	60	68	22	42	40	3.3

Further to table 7, the commitments of fresh graduates that take up a low-paid jobs are relatively low (Mean = 3.6). In addition, most of the respondents cannot really say that great number of higher education graduates get jobs outside their discipline. (Mean = 3.3). Therefore, it would be concluded that job mismatch affects

employee/organization productivity. The alternative hypothesis which stated that job mismatch affects employee/organization productivity was accepted by this study.

Table 8: H₄ Increasing Number of Able-Bodied Hang-out/touts has Negative Effect on Nation's Economy

S/N	View	SA	A	U	D	SD	Mean
1	Increasing number of able-bodied hang-outs/touts adversely affects the national productivity	76	98	24	20	14	3.9
2	The engagement of able bodied street hang-outs/touts in entrepreneurial initiatives can lead to economic productivity.	80	76	18	38	20	3.7

Following from table 8, Increasing number of able-bodied hang-outs/touts adversely affects the productive element (Means = 3.9). Meanwhile, most of the respondents agreed that the engagement of able bodied street hang-outs/touts in entrepreneurial initiatives can lead to economic productivity. The alternative hypothesis which state that increasing number of able-bodied hang-out/touts has negative effect on nation's economy was accepted by this study.

CONCLUSIONS/RECOMMENDATIONS

The survey examined the effect of human resource waste on productivity in Nigeria. This study was limited to Abeokuta Metropolis, Ogun State, South West Nigeria. All the relationships proposed among the variables in the research model were tested and it was found that relationship exists amongst the variables having subjected the collected data to empirical analysis with the use of mean. However, the results of the findings indicated that human resource waste affects productivity, which implies that effort must be made to ensure that unemployment, underutilization of skills; unutilized skills, job mismatch and increasing numbers of street hang-out/outs are addressed. The overall result showed that proposed hypotheses tested were accepted. It is therefore recommended that:

- Individual should seek to be more creative and actively engaged economically to contribute their quota through their profession or vocational strengths.
- Financial institutions should be encouraged to provide medium and long-term loans for individual or group of persons who are willing to start their own business with a relatively low interest.
- Employers of labour should ensure that their employees are properly placed to avoid mismatch of job.
- Tertiary Institution should be encouraged to do more research on practicable ways of resolving unemployment in Nigeria.
- Government at all levels should encourage young Nigerians to be involved in one vocation or the other in order to make a living rather than serving as touts at motor packs, roads and junctions. Government *should endeavour to create enabling environment where business can thrive and encourage young graduates to set up their business rather than looking for jobs that are not available.*

Contribution to Knowledge

This study provided insight into the concept of human resource waste. It also contributed to the existing literature on human resource waste. These findings provide insights for other researchers interested in carrying out research in this area.

Suggestion for Further Studies

The present study is limited to the effect of human resource waste on productivity in Abeokuta Metropolis. Further studies in this area should increase the sample size and should not be limited to Abeokuta Metropolis to give room for a more acceptable generalization of results and findings.

The method of data analysis used in this study was limited to the use of descriptive statistics, further study in this study area can use structural equation modeling or other detailed statistical techniques to arrive at findings that can be generalized.

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