**EFFECT OF HUMAN CAPITAL MANAGEMENT POLICIES ON ORGANIZATIONAL GROWTH (A CASE STUDY OF AKWA IBOM STATE MINISTRY OF WORKS UYO)**

**ABSTRACT**

This study was designed to investigate the effect of Human Capital Management Policies on organizational growth Akwa Ibom State Ministry of Works as a case study. To actualize the objectives of the study four research questions were formulated and null hypotheses were tested using chi-square. A research structure questionnaire was used for data collection and the content validated by the supervisor. Findings of this study revealed that human capital management policy can bring about employees development. It further revealed that employees could be effective and could perform at their best when good policies are used in the ministry. Based on the above findings, the researcher recommends among others that government should consider the benefits of integrating their human capital functions with the overall government strategy and operations for the benefits of both the government and the employees.

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**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the Study**

The management of people within the organization has become an increasingly recognized important focus for researchers and management over the years. Organizations are becoming more aware of the role plays by human capital in achieving the success of organizational goals. As a result of that, organizations are becoming more employee-centric by focusing on enhancing employees, engagement and organizational commitment.

Fillippo (2000) states that firms have increasingly recognized the potential for their people to be a source of competitive advantage though people requires careful attention to the practices that best leverage these assets.

According to Beach (2008) scholars generally agree that appropriately designed, human capital management polices can enhance organizational performance. Related theories like theory of motivation suggest and support assumption holds that the practices of human capital management influences employees attitude and behaviours. Human capital management is an invisible asset in an organization. It creates value when embedded in the operational system that enhances organizational performance and ability to deal with turbulent environment. Effective human capital management assists in developing human capital into high quality and efficient workforce thus enabling the organization to obtain a competitive advantage through their people.

Adeleye (2010) acknowledges that human capital development constitutes the ultimate basis for the wealth of nations and that capital and natural resources are passive factors of production. The importance of human capital development to a given country’s economic growth cannot be overemphasized. Chrisman (2010) also emphasizes that human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organization, and carry forward national development. He opines that a country that is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will be unable to develop anything else.

Cole (2011) notes human resources need to be trained for effective organizational commitment, training is a flexible way to develop an employee as it consists of both formal and informal ways to enhance the effectiveness and efficiency of employees. Jackson (2011) also suggests that job security increases employee’s honesty, keeps employees committed to the organization and provides security to valuable information as well. Smith (2010) posits that employee’s performance could be affected by the knowledge transfer that helps employee to develop their understanding of networking as well as focusing on the organizational performance.

Wikipedia (2016), growth refers to a positive change in size, and maturation, often over a period of time. Growth can occur as a stage of maturation or a process toward fullness or fulfillment. In Economic “economic growth” or economic growth theory” typically refers to growth of potential output, i.e, production at “full employment”. As an area of study, economic growth is generally distinguished form development economics. The former is primary the study of how countries can advance e their economics. The latter is the study of the economic development process particularly in low income countries.

Sari (2006) productivity measure of the efficiency of production. It can be expressed as the ratio of output to inputs when all outputs and inputs are included in the productivity measures it is called total productivity. Output and inputs is a measure of the income generated in a production process. it is a measures of total efficiency of a production process and as such the objective to be maximized in production process.

Organizational performance is related to organizational justice which allows employees to get committed to task assigned to him or her. Human capital dimension greatly influences the employees attitude which in turn affects employees performance. If human capital management system works effectively, there is assurance for organizational growth.

Organizational is a social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationship between the different activities and the members and subdivided and assigns roles responsibilities, and authority to carry out different tasks. Organizations are open systems that affects and are also affected by their environment. Katz, (2000).

**1.2 Statement of the Problem**

Organizations are becoming more aware of the roles plays by human capital in achieving the success of her goals. Thus, the management or people within the organization becomes important focus for managers and even researchers.

Ministry of works Uyo is a sub-system in the entire organizational system. Thus, the researcher seek to find out the effect of human capital management policies on organizational growth.

The problem underlying the study could be inadequate human capital policies and decision making in an organization, in effective implementation of policies, lack of adequate policies, poor monitoring of policies by management to checkmate organizational growth and poor condition of service.

The indentified problems can be tacked one after the other and in sequence.

**1.3 Objectives of the Study**

The purpose of this study is to examine the effect of human capital management policies on organizational growth. Specifically, the study is conducted to achieve the following objectives.

To determine the human capital management policies and their function in Ministry of Works, Uyo.

1. To determine the level of polices toward achieving organizations growth
2. To discover the level polices towards achieving organization’s objectives.
3. To recommend the need for human capital management policies towards achieving good performances in an organization

**1.4 Research Questions**

As a guide to this work, the following questions were formulated.

1. Is there any significant effects of human capital management policies on organizational growth in Ministry of Works, Uyo?
2. Does the management influence the level of performance in an organization?
3. Does the level of polices in an organization aid the management to achieve organizational growth?
4. Does proper monitoring of set policies assist management to achieve organizational growth.

**1.5 Research Hypotheses**

**Ho**: There is no significant effect of human capitalpolicies on organizational growth.

**Hi**: There is significant effect of human capital policies on organizational growth.

**Ho**: Management does not influence the level of performance in an organization

**Hi**: Management influence the level of performance in an organization

**Ho**: The level of policies in an organization does not aid the management to achieve organizational growth

**Hi**: The level of policies in an organization aid the management to achieve organizational growth

**Ho**: Proper monitoring of set policies does not assist management to achieve organizational growth

**Ho**: Proper monitoring of set policies assist management to achieve organizational growth

**1.6 Significance of the Study**

Considering the fact that human capital is the life wire of any organization, it is important for government to know that the productivity of the workers and the entire economy of the state can be affected by mismanagement of the human capital, improper policies.

1. The study will help government to develop policies that will lead to high productivity among workers.
2. The findings of this study will help the public to be able to assess the performances of the state economy.
3. To the students, it would help to provide sources of information or references material incase of any further research on the topic.

**1.7 Scope of the Study**

This study focused attention on the effect of human capital management policies on organizational growth. The focus of the study is on ministry of works, Uyo, Akwa Ibom State.

**1.8 Limitation of the Study**

In the process of conducting this research work, the researcher faced the following constraints.

**Time Factor**: Considering the nature of this project, class activities, such as assignments, tests, attending lectures and also preparing for examinations pose a very big problem on this research work.

1. **Lack of materials:** Insufficient data due to shortage of text books, magazines, etc pose a lot of hindrances to this project.
2. **Ignorance:** People are not enlighten enough to know that information meant for research purpose will be used strictly for the same purpose. Hence, most of the respondents were unwilling to provide the necessary information needed for the study.

**1.9 Definition of Terms**

**Human Capital Management**: Human Capital Management refers to the body of knowledge, ideas and insight that the human resource management discipline had acquired over the years relating to the maximization of the potentials inherent in the organization’s human capital.

**Human**: Refers to the characteristic of people as opposed to God or animals or machines, especially in being susceptible to weakness.

**Capital**: Is defined as money invested in a business to generate income.

**Management:** Is defined as a process of dealing with or controlling things or people.

**Organization**: Organization could be referred to as group which distribute tasks for a collective goals.

**Performance:** The accomplishment of a given tasks measured against present known, Standards of accuracy, completeness, cost and speed.

**Empathy:**, Empathy is the ability to corporate and relate to the thoughts, emotions or experiences of another person.

**Intimacy:** Intimacy is defined as a state of having a close personal relationship with another.

**Incentives**: Incentive is something that motivates and individual to perform an action.

**Motives**: Motives are those driving forces that one to behave the way he/she does. It pushes one to act in a particular way.

**Attitudes**: Attitude is the way one feels or thinks about something, the way he behaves about a particular thing. attitude is naturally influences by values.

**Department**: any of the division or unit of a government business, school or college etc.

**Employee**: This is a person who is paid to work for an organization or business enterprise.

**Responsibility**: Is the subordinating obligation to perform a duty which has been assigned to him.

**Productivity**: Productivity is seen as a measure of performance including effectiveness and efficiency.