
IMPACT OF GROWTH ON THE JOB AND DEVELOPMENT OF HUMAN CAPABILITIES ON EMPLOYEE PRODUCTIVITY AMONG SELECTED NIGERIAN FIVE-STAR HOTELS

¹Kwahar, Nguwasen and ²Onov, Philip. A

¹Department of Business Administration, Federal University of Agriculture, Makurdi, Benue State-Nigeria.

²Department of Economics, Benue State University, Makurdi, Benue State-Nigeria.

ABSTRACT: *The need for organizations to use growth and development programmes to enhance employee productivity is incontestable. The contingency employment policies in Nigerian five-star hotels however, may not create the right atmosphere for growth and development prospects of the employees which may impair their levels of productivity. The study was prompted out of the desire to ascertain the extent to which growth on the job and development of human capabilities impact employee productivity in five-Star hotels in Nigeria. The survey design was adopted. Questionnaire was used for data collection. Regression analysis and Partial Correlation were used for data analysis. The study found that both growth on the job and development of human capabilities have significant impact employee productivity. However, employees' productivity reduced by 12 percent when the development of human capabilities was not accompanied by growth on the job. Nevertheless, the difference was only two percent when growth on the job was provided in isolation of development of human capabilities. This means that although both growth and development have strong nexus with employee productivity, separately, employee growth enhances productivity more than development in Nigerian five-star hotels. The study recommended that Nigerian hotels, whether private or public, should stop its contingency employment policy and adopt an alternative policy of regular employment that based on permanency. Employee growth should be guided by Management by Objectives (MBO) so that recognition, reward and promotion of staff will be based strictly on level of employee productivity. Also, the hotel industry in Nigeria should train their staff at least once every year in core competences in line with global best practice.*

KEYWORDS: Growth on the Job, Employee Development, Productivity, 5-Star Hotel

INTRODUCTION

The need for employee growth on the job in an industry for enhanced productivity is germane as enunciated in management literature. Employee productivity may therefore be seriously impaired if there are no prospects for growth in an industry. According to Fortune (2010), an employee's growth in his line of job and his assured job security enhances productivity and propels the individual to put in a good performance. Cole (2005) sees productivity as a measure of how well employee's expectations about their job are brought together in organizations and harnessed for maximum efficiency. Thus, to him, there is a direct positive relationship between growth and employee productivity.

Growth on the job as captured by Berta (2001) refers to the upward movement or advancement made by people in a particular job. Smith (2014) stated that employees' opportunities for growth bring about employee productivity, commitment and job satisfaction. Thus organizations have to design programmes that give employees limitless opportunities for growth. Such opportunities include giving them the opportunities to aspire for higher positions based on set standards, providing targets that when met by the employee attract promotion to higher positions, relating achievements to higher and preferred responsibilities, among others.

Employee development is also crucial for enhanced employee productivity. Employees work optimally if their talents are properly harnessed by the organization. Foong-ming (2008) defines employee development as a process of imparting requisite skills in the employee through training to enhance their capabilities. The features of employee development include autonomy, skill variety, task significance and feedback, meaningfulness and wholeness. Many researchers such as Bonn and Forbringer (2002), Foong-ming (2008), Tracey and Hinkin (2008) were of the opinion that productivity is influenced by human resource training in the work environment as reflected in employee job satisfaction and relates with the organizational goal. Thus to them, good human resource development strategies, work relations and job satisfaction will lead to higher employee productivity.

According to Eurofound (2011), since hospitality is fast paced and constantly evolving, the best way to beat competitors may be through ensuring employees' expertise in performing the day-to-day necessities, such as maintaining exceptionally high levels of housekeeping or making sure front desk employees are conversant with computers and other technological tools required in their jobs; while frequently revisiting customer service training, such as how to address visitors in both positive and negative situations, can ensure that guests enjoy their stay and depart with plans to return (Berta, 2001). The hotel industry in Nigeria however, practices contingent employment at a large scale (Kwahar, 2016). This form of employment has limited prospects for employee growth and development which may affect their levels of productivity. This is because contingent employees are not eligible for promotion. They are also often exempted from training opportunities that could enhance their capabilities.

The pertinent questions are: could employee low productivity in the Nigeria hotel industry be attributed to lack of growth and development opportunities? And to enhance employee productivity, which of growth and development policies should precede the other based on employee priority? In view of these, the study aims at ascertaining the impact of employee growth on the job and development of human capabilities on employee productivity in selected Nigerian five-star hotels.

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Social Exchange Theory (SET) is among the most influential conceptual paradigms for understanding workplace behaviour (Malinowski, 2002). One of the basic tenets of SET is that of reinforcement principles in which relationships evolve over time into trust, loyalty, and mutual commitments. To do so, the parties must abide by certain "rules" of exchange. Rules of exchange form a "normative definition of the situation that forms among or is adopted by the participants in

an exchange relation” (Emerson, 1976). In this way, rules and norms of exchange are “the guidelines” of exchange processes.

While explaining the theory, Homan (1958) stated categorically that social exchange theory which is a function of social behavior entails an exchange of goods, both material goods and also non-material ones, such as the symbols of approval or prestige. This process of influence tends to work out at equilibrium to a balance in the exchanges. For a person in an exchange, what he gives may be a cost to him, just as what he gets may be a reward, and his behavior changes less as the difference of the two, profit, tends to a maximum.

The theory as it relates to the present study shows that employees of the hospitality industry have their own interests such as aspirations to attain higher ranking and positions through enhanced growth on the job as well as the need for trainings for enhanced capabilities and competencies. The management of five-star hotels on the other hand, desires higher productivity from their employees to enable their organizations attain higher profit levels. Thus, for equilibrium to be attained there must be a form of social exchange between the employees and the employers. The management must provide opportunities for employee growth and development while employees are to increase their level of productivity. Opportunities for growth and development are expected to act as motivators that should spur employees of Nigerian five-star hotels to higher productivity. To buttress the role of social exchange in the hotel industry, a study conducted by Agba (2007) serves as an example to explain engagement of employees in organizations. This study uses social exchange theory to explain that obligations are generated through a series of interactions between hotel employers and employees who are in a state of reciprocal interdependence. The research identified that when individuals receive economic and socio-emotional resources from their organization, they feel obliged to respond in kind and repay the organization. This is a description of engagement as a two-way relationship between the employer and employee.

Researchers have observed that in early stages of their careers, individuals are often willing to sacrifice their personal lives in the interests of their career progression. Research also suggests that career tenure and total tenure in one’s occupation are positively related to career achievement (Judge & Bretz, 1994). Thus, having contingency job experiences as most hospitality workers do will negatively predict career success. Considerable research also supports the relationship between the number of hours worked per week and salary and ascendancy (Judge & Bretz, 1994) meaning that the desire to spend time at work predicts career achievement.

In a research conducted by Alabi (2011) on why most hotel employees fail to deliver in their various work roles using survey design, it was reported that 500 out of 1400 of the respondents listed poor training and developmental programs of the organizations as an inhibiting factor to their performances thereby impacting negatively on the performance of the six Hotels studied in Ogun State.

Olsen (2009) studied the influence of employees’ growth and security on Chitexs Hotel Suites effectiveness in Anambra State using survey design. The study used frequencies and percentages and the results showed that employee job security is one of the elements that have attracted a lot of human resources for Chitexs Hotel Suites in Anambra. This suggests that employee growth

influences hotel effectiveness positively in Nigeria. The present study is interested in the employee himself since he is the most important resource in the industry, hence the emphasis on employee productivity.

Adetoyine's (2012) was carried out on the impact of employee training and development on hotel industry profitability in Ondo State using time series design that covered the period of 30 years. Pearson correlation was used to test hypotheses. Findings revealed a strong significant influence of employee training and development on hotel industry profitability. This suggests that employee training or employee development is a good predictor of the hotel industry profitability. However, an emphasis on profitability without considering employee productivity is misplaced especially in the 21st century when the human resource is the pivot of the organization.

METHODOLOGY

The research adopts a cross-sectional survey research design with a focus on quantitative research methods. The reason for choosing the cross-sectional survey research design is because the study is based on information generated from a single period's observation of a sample. Furthermore, the study uses questionnaire, library and desk research for data collection. Data analyses were conducted using descriptive statistics and multiple regression. The sample of 355 respondents was selected from a total population of 3,110 employees across the selected 5-Star hotels in Nigeria using Taro Yamen (1967) formula. However, based on the specification of Cochran (2005) who said the number of questionnaire administered on the respondents should exceed the sample size determined in the study by 100 percent, the sample size of 710 was determined for the study.

The five 5-star hotels purposively selected and used in the study were Transcorp Hotel Abuja, Sheraton Hotel Abuja, Intercontinental Hotel Lagos, Eko Hotel and Suites Lagos and Hotel Presidential Port-Harcourt. These hotels were selected because according to the National Institute for Hospitality and Tourism (NIHT, 2015) classification, they are the only five-star hotels by standard in Nigeria.

A stratified random sampling technique was used to sample respondents so as to remove bias and avoid sampling error by giving each respondent an equal chance of being selected. The sample was stratified into management staff (Managers and sectional heads) and operational staff (caterers, room attendants, bar attendants and receptionists) to capture the views of both groups. Data were collected through the use of questionnaire. Out of 646 copies of the questionnaire retrieved, 156 were from Transcorp Hilton Hotel Abuja (18 management and 138 operational Staff), 164 from Sheraton Hotel Abuja (22 management and 142 operational Staff), 156 from Eko Hotel and Suites Lagos (20 management and 142 operational Staff), 162 from Intercontinental Hotel Lagos (14 management and 142 operational Staff) and 72 from Presidential Hotel Port-Harcourt (6 management and 66 operational Staff).

The data were processed using Statistical Package for Social Sciences (SPSS version 20.0 for Microsoft Windows). Multiple regression was used to assess the extent of the combined effect on the dependent variable from a set of independent or predictor variables. However, to get the

accurate picture of the relationship between the two variables and also control for the possible effects of the other independent variable, partial correlation was also used.

Model Specification

The generalized model used in this study was based on the assumption that employee productivity is dependent on prospects for growth and development of the employees. This model can be depicted as follow:

$$PRD = f(GOJ + DHC) \dots\dots\dots (i)$$

This is the implicit forms of the model. The explicit form is stated thus:

$$PRD = b_0 + b_1GOJ + b_2DHC + U_t \dots\dots\dots (ii)$$

Where:

	PRD	=	Productivity
GOJ	=	Growth on the job	
DHC	=	Development of Human Capacities	
U_t	=	Error term	
b_0	=	Regression intercept	

b_1, b_2 = Parameter estimates

a- priori expectations:

b-

The model is subject to the restrictions that;

$$\frac{\Delta GOJ}{\Delta PRD} < 0;$$

and

$$\frac{\Delta DHC}{\Delta PRD} < 0$$

These restrictions imply that a positive relationship is expected between employee productivity and each of growth on the job and development of human capabilities.

RESULTS AND DISCUSSIONS

Table 1: Model Estimation

	DV	Intercept	IVs	Error Term
Parameters	PRD	-19.927	0.835GOJ+0.725DHC	U_t
Std. Errors			(0.147) (0.274)	
T-test			(5.602) (5.079)	
P-values			(0.00) (0.02)	
R	0.816			
R^2	0.643			
R^{-2}	0.671			
D-W	1.917			

Source: SPSS Output

Effect of Growth on the Job on Productivity

Regression results show that an increase in the level of growth on the job (GOJ) of the employees by one percent causes employee productivity to increase by 94.8 percent while an increase in the development of human capabilities by one percent causes employee productivity to improve by 72.5 percent holding all other variables constant. If all the independent variables are held constant, employee productivity will decline by 19.927 percent. This means that employee growth and development is essential for employee productivity in the Nigerian five-star hotels.

The correlation between the dependent and the independent variables was 0.816 which shows a strong relationship of 81.6 percent between the dependent and the independent variables. The coefficient of determination index was 0.667, meaning that growth on the job and development of human capabilities account for 66.7 percent of the variations in employee productivity. Thus, the model has an explanatory power of 66.7 percent, leaving out 32.3 percent of other variables not accounted for in the model. These other variables are summed up in the error term and added to the model.

The Durbin Watson (D-W) values of 1.917 can be approximated to 2.00, which implies the absence of serial errors in the data used. Since the value is less than 2.00 by asymptocism, it means that the sum of errors is positively auto-correlated. Thus the data used in the study is highly dependable.

The unconditional effect (that is, controlling for development of human capabilities) of growth on the job on employee productivity is shown in Table 2:

Table 2: Unconditional Effect of Growth on the Job on Productivity.

Control Variables			GOJ	PRD
DHC	GOJ	Correlation	1.000	.814
		Significance (2-tailed)	.	.009
		Df	0	646
	PRD	Correlation	.814	1.000
		Significance (2-tailed)	.009	.
		Df	646	0

Source: SPSS Output

Results of partial correlation reveals that an increase in the level of staff growth on the job leads to 81.4 percent increase in employee productivity. This implies that the career development practices used within the organization such as placing clear expectations on employees on their expectations and succession plans, result to an improvement in their productivity. Thus, controlling for development of human capabilities has almost no effect on the strength of the relationship between growth on the job and employee productivity in Nigerian 5-Star hotels. The gap of a paltry two percent was left in the extent of relationship compared to its strength when development of human capabilities was not controlled. Research suggests that career tenure and total tenure in one's occupation are positively related to career achievement (Judge & Bretz, 1994). Thus, having contingency job experiences as most hospitality workers do will negatively predict career success and consequently affect employee productivity.

The statistical test of hypothesis show that the value of t-test is 5.602, which is significant at 0.05 level ($p = 0.00 < 0.05$). The econometric test shows that the value of the standard error (0.147) is less than the value of half its parameter at 0.418 ($\text{std} < 1/2b$). The statistical test is therefore consistent with the econometric test, which suggests the rejection of the null hypothesis. The null hypothesis, which states that growth on the job has no significant impact on employee productivity in the Nigerian five-star hotels, is therefore rejected. The conclusion is that growth on the job has a significant impact on employee productivity in the Nigerian five-star hotels. The implication is that the existence of job autonomy, identification and grooming of new leaders and creating a good atmosphere for promotions based on attainment of set targets will enhance employee productivity in the Nigerian five-star hotels.

This finding is a direct contradiction to that of Steers (2005) whose study on the effects of employee growth and security on the productivity of Nigerian hotels found that employee growth and security has nothing to do with employee productivity. Steer's study may have been affected by many factors: the nature of hotels used may be substandard whereby employee growth may not be a top priority. Also the sample size used in Steers' study was 98, which is considerably small while the statistical tool used was simple percentages, which may have affected the research conclusion. Simple percentages are not too strong a measure to establish relationship of this nature. The results' contradiction with the present study is therefore, not surprising.

Effect of Development of Human Capabilities on Productivity.

Regression results show that if development of human capabilities (DHC) increases by one percent, employee productivity will increase by 71.4 percent holding all other variables constant. The unconditional effect (that is, controlling for growth on the job) on productivity is also presented in Table 3.

Table 3: Unconditional Effect of Development of Human Capabilities on Productivity.

Control Variables			PRD	DHC
GOJ	DHC	Correlation	1.000	.6008
		Significance (2-tailed)	.	.013
		Df	0	646
	PRD	Correlation	.6008	1.000
		Significance (2-tailed)	.013	.
		Df	646	0

Source: SPSS Output

Result of partial correlation show that if the development of human capabilities alone increase by one percent, employee productivity will increase by 60.8 percent. This means that the development of human capabilities is very important for enhanced employee productivity. This means if jobs contain the features that would allow employees the opportunity to use and develop their human capacities, their level of productivity will increase by more than 60 percent. Thus, controlling for

growth on the job has very large effect on the strength of the relationship between development of human capabilities and employee productivity in Nigerian 5-Star hotels. The change leaves a gap of 12 percent in the extent of relationship compared to its strength when growth on the job was not controlled. This means that employee productivity will decline by 12 percent if development of human capabilities is practiced on employees that have no prospects for growth on their jobs.

The statistical test of hypothesis show that the value of t-statistic is 5.079, significant at 0.05 level ($p = 0.02 < 0.05$). The econometric test shows that the value of the standard error is less than the value of half its parameter at 0.363 ($\text{std} < 1/2b$). The statistical test is therefore, consistent with the econometric test, which suggests the rejection of the null hypothesis. The null hypothesis, which states that the development of human capabilities has no significant impact on employee productivity in the Nigerian five-star hotels, is therefore rejected.

The conclusion is that the development of human capabilities has significant effect on employee productivity in the Nigerian five-star hotels. The implication is that if employees are satisfied with the opportunity for capacity building through trainings conducted by the organization, incentives, retraining related to core competence and how talent management is updated regularly, employee productivity will be enhanced. This finding is consistent with that of Adetoyine (2012) whose study on impact of employee training and development on employee productivity in Ondo State revealed a strong significant influence of employee training and development in the industry effectiveness.

CONCLUSION AND RECOMMENDATIONS

Generally, employee growth and development have significant effects on employee productivity in the Nigerian five-star hotels. By ranking, growth on the job has higher effect on employee productivity than development of human capabilities. Thus, providing opportunities for employee growth on the job in isolation of employee development programmes can cause employee productivity to decline by only two percent while availing employee development programmes without prospects for employee growth causes their productivity to decline by 12 percent.

Nigerian five-star hotels must therefore place premium on the growth and development of their employees through investment on trainings with respect to developing the core competencies of their employees in line with global best practices as well as promotion of deserving staff based on value addition. The management and owners of hotels in Nigeria should however, prioritize employee growth on the jobs they do by engaging them in challenging tasks with appropriately defined targets for quick promotions and appointments into key positions. The industry should also strengthen its performance evaluation policies and formulate policies on job stability. In fact employee growth facilitation by management should rank topmost on their priority scale if their target is to achieve employee productivity. The policy implication of this finding is that Nigerian hotels, whether private or public, should stop practicing contingent employment but rather adopt the strategy of regular employment based on permanent employment policy. This growth and development strategy should be guided by Management by Objectives (MBO) so that recognition, reward and promotion of staff will be based strictly on level of employee productivity.

Nigerian hotels should invest on staff training with respect to developing the core competencies of these staff in line with global best practices as is obtainable in the hotel industry. After these trainings, appraisal of outcomes should be conducted to understand the level of achievement recorded by the trainees. Talents gained from these trainings should be properly managed to achieve desired goals, which should be promptly updated, say monthly, while performance measures from these training should also be shared regularly with the staff. The hotel industry in Nigeria is therefore, duty bound to train their staff at least once every year.

REFERENCES

- Alabi, A. T. (2011). Effective Management Strategies for a free and Compulsory School System in Kwara State. In N. A. Nmagwu, E. T. Ehimetalor, M. A. Ogunu & M. Nmadiana (eds.). *Current issues in Educational Management in Nigeria*, 24 - 25.
- Berta, D. (2001). CHART finds training boast business nations Restaurant new. Retrieved July 25, 2005 from www.ericdatabase.com
- Cole, G.A. (2005). *International personnel and human resource management*. (5thed), London: Thomson learning.
- Emerson, R. (1976). Social exchange theory. *Annual review of sociology*, 5(4), 301-332.
- Eurofound, N. (2011). *Human resource management* (4th ed.). London: Prentice Hall.
- Foong-Ming, T. (2008). Linking career development practice to turnover, the mediator of perceived organizational support. *Journal of business and public affairs*, 2(1), 1-20.
- Fortune, M. J. (2010). *Quality of Working Life* :Employee Perceptions and experiences of Hotel staff relative to Quality of Work Life initiatives and the provision of quality care, Conference Paper has been presented in ILO Geneva, July 8-10 2006.
- Judge, T.A., Cable, D.M., Boudreau, J. W. & Bertz, R.D. (2007). An empirical investigation of the predictors of execution career success. *Personnel psychology*, 48, 485-519.
- Judge, T.A., Bertz, R.B. (1994). Person-organizational fit and the theory of work adjustment: Implications for satisfactory tenure and career success. *Journal of vocational behavior*, 44, 32-54.
- Kwahar, N. (2016). Effect of Quality of Work Life on Organizational Effectiveness in the Nigerian Hotel Industry. A PhD Thesis submitted to Postgraduate School, Benue State University, Makurdi-Nigeria
- Malinowski, B. (2002). *Argonaut of western pacific: an account of nature enterprise and adventure in the Archipelagoes of Melanesian*. New Guinea, London: Wave land press
- Veiga, J. F. (2006). Mobility influence during managerial career stages. *Academy of management Journal*, 26, 64-85.
- Yamane, T. (1967). Sample Size Determination Procedure. Retrieved from www.google/yamanemethod/smplesize.com