HUMAN CAPABILITY AND ORGANISATIONAL PERFORMANCE OF SELECTED FOOD AND BEVERAGE COMPANIES IN SOUTHWEST NIGERIA

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Abstract
Organisational performance in Nigeria's food and beverage manufacturing sector remains constrained by declining profitability, operational inefficiency, and weak employee engagement, despite the sector contributing 5.7% to the nation's Gross Domestic Product (GDP) in 2023. This paper argues that these challenges are associated with deficiencies in human capability, particularly employees' knowledge, access to information, and developmental support, and proposes an integrated framework for examining this relationship in Southwest Nigeria. Drawing on Stakeholder Theory, Social Cognitive Theory, and Institutional Theory, the study conceptualises human capability through three dimensions: human knowledge, access to information, and human capability development. Organisational performance is similarly conceptualised using three dimensions: financial performance, operational efficiency, and employee engagement. A descriptive survey research design is proposed, targeting management and middle-level staff across the 26 food and beverage manufacturing firms listed on the Nigerian Exchange Group (NGX). Using a two-stage stratified sampling technique, 21 firms and 384 respondents will be selected based on Taro Yamane's and Cochran's sample size determination formulae. Data will be collected using a structured Likert-scale questionnaire and analysed with descriptive statistics and multiple regression analysis to test three null hypotheses examining the relationships between human knowledge and financial performance, access to information and operational efficiency, and the combined dimensions of human capability and overall organisational performance. The study is expected to contribute a contextually grounded framework for understanding human capability and organisational performance in African manufacturing environments, where infrastructural and institutional constraints differ significantly from those in developed economies. It also offers practical implications for human resource practitioners, training institutions, and policymakers seeking to strengthen workforce capability and enhance organisational performance through improved access to knowledge, information, and employee development opportunities.
Keywords: Human Capability; Organisational Performance; Human Knowledge; Access to Information; Food and Beverage Sector; Southwest Nigeria

Introduction
Organisational performance is a cornerstone of business success, reflecting a firm's ability to achieve financial, operational, and employee-related goals while navigating global and local challenges. In developing economies such as Nigeria, the food and beverage sector, contributing 5.7% to GDP in 2023, continues to grapple with infrastructural deficits and limited capital that hinder the integration of sustainable and performance-enhancing practices. Human capability, encompassing the cognitive abilities, technical skills, and adaptive capacities of the workforce, represents a foundational source of competitive advantage in knowledge-intensive economies (Bibi et al., 2022; Abdulsamad et al., 2020).

Evidence from developed and developing contexts alike points to the performance value of structured human capability interventions. Longitudinal studies of UK manufacturers show that combining on-the-job training with university partnerships accelerates innovation cycles, while Nigerian brewery apprenticeship programmes have improved technician retention over five years. Government incentives for workforce upskilling nonetheless remain underused, with only 18% of surveyed Nigerian firms accessing available support in 2023, even though cross-country evidence links workforce skill density to productivity gains and Nigerian studies confirm that strategic human capital investment materially improves brewery performance (Udodiugwu, 2024; Chienwattanasook & Onputtha, 2022).

Nigerian food and beverage manufacturers currently exhibit suboptimal performance: liquidity constraints reduced average net profit margins by 4.8% between 2020 and 2023, infrastructural disruptions cost firms an estimated ₦2.3 billion annually in lost productivity, and a substantial share of the workforce lacks competencies required for efficient, sustainable operations (Udodiugwu, 2024). Existing research has examined human capital management, green entrepreneurial skills, and workforce diversity in relation to firm performance, but has predominantly treated human capability as an isolated construct rather than testing its direct, multidimensional influence on organisational outcomes. Few studies, moreover, address the institutional specificity of South West Nigeria, where infrastructural gaps, regulatory inconsistency, and distinct market dynamics shape how capability translates into performance (Bibi et al., 2022; Adu et al., 2024; Mehari et al., 2024; Yusoh et al., 2023).

This paper addresses that gap by proposing an integrated conceptual and empirical framework linking human knowledge, access to information, and human capability development to financial performance, operational efficiency, and employee engagement among food and beverage firms in South West Nigeria.

Aim and Objectives

The study aims to examine the influence of human capability on the organisational performance of food and beverage manufacturing firms in South West Nigeria. The specific objectives are to:

- examine the effect of human knowledge on the financial performance of selected food and beverage companies in South West Nigeria;
- determine the influence of access to information on the operational efficiency of selected food and beverage companies in South West Nigeria; and
- assess the combined influence of human capability dimensions on the overall organisational performance of selected food and beverage companies in South West Nigeria.

Hypotheses

In line with these objectives, the study tests the following null hypotheses:

- H01: Human knowledge has no significant effect on the financial performance of selected food and beverage companies in South West Nigeria.
- H02: Access to information has no significant influence on operational efficiency in selected food and beverage companies in South West Nigeria.
- H03: The dimensions of human capability do not significantly influence overall organisational performance in selected food and beverage companies in South West Nigeria.

Scope and Significance

The study covers the food and beverage manufacturing sector across Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti States, an industrial corridor with a substantial concentration of sector firms, focusing on management and middle-level employees engaged in decision-making, operations, and workforce development. The independent variable, human capability, is assessed through human knowledge, access to information, and human capability development; the dependent variable, organisational performance, is measured through financial performance, operational efficiency, and employee engagement.

Findings are expected to benefit human resource professionals and training institutions seeking to design capability-building programmes aligned with performance requirements, and to give policymakers empirical grounds for interventions that close the gap between available upskilling support and actual firm-level uptake, a gap evident in the low 18% utilisation rate of green-upskilling incentives noted above (Sari & Soelton, 2024; Yusoh et al., 2023).

Literature Review

2.1 Organisational Performance

Organisational performance is a multidimensional construct reflecting a firm's ability to achieve strategic objectives and sustain competitive advantage, encompassing financial results, operational processes, and employee contributions (Bibi et al., 2022). Financial performance, gauged through revenue growth, profitability, and cost efficiency, remains a primary indicator, while non-financial dimensions such as employee engagement and operational efficiency underpin long-term sustainability (Abdulsamad et al., 2020). For food and beverage firms specifically, financial performance is reflected in sales growth from efficient production and cost reductions from energy-efficient processes, both of which depend on a workforce capable of managing costs and identifying revenue opportunities (Udodiugwu, 2024; Chienwattanasook & Onputtha, 2022). Operational efficiency, the capacity to maximise output while minimising resource use, depends similarly on skilled and well-informed employees able to identify waste-reduction opportunities and act on real-time data (Sari & Soelton, 2024). Employee engagement, reflected in productivity, commitment, and lower turnover, is likewise shaped by capability: training that builds relevant competence tends to increase employees' sense of purpose and intrinsic motivation (Adu et al., 2024; Mehari et al., 2024).

2.2 Human Capability

Human capability denotes the collective skills, knowledge, competencies, and abilities that enable individuals to perform tasks, make informed decisions, and contribute to organisational goals; it extends beyond individual competence to include the organisational systems that facilitate knowledge sharing and skill development (Bibi et al., 2022). Firms with high human capability are better positioned to translate strategy into practice, and capability is closely tied to access to information, which shapes decision quality throughout the organisation (Yusoh et al., 2023).

Human knowledge, the collective understanding and awareness employees hold regarding operations and sustainable practices, allows firms to identify and act on improvements such as biodegradable packaging or renewable energy applications, with direct implications for both environmental and financial outcomes (Udodiugwu, 2024). This is closely linked to organisational learning, the continuous acquisition, sharing, and application of knowledge that drives innovation (Chienwattanasook & Onputtha, 2022; Sari & Soelton, 2024). Access to information, the availability and usability of relevant operational and regulatory data, is essential to informed decision-making and is increasingly mediated by digital platforms such as ERP systems and sustainability dashboards (Adu et al., 2024; Mehari et al., 2024). Human capability development, finally, is a multi-level process: individual attributes such as education and motivation, organisational factors such as culture, leadership, and training systems, and institutional factors such as government policy and industry standards jointly determine how capability is built and sustained (Yusoh et al., 2023).

2.3 Theoretical Framework

Three theories underpin the study. Stakeholder Theory, formalised by Freeman (1984), holds that organisations bear ethical and strategic responsibilities to a range of stakeholders beyond shareholders, providing a lens for understanding how firms develop and deploy human capital to meet the expectations of employees, customers, regulators, and communities in ways that support performance. Social Cognitive Theory, developed by Bandura (1986), emphasises the interplay of personal factors, behaviour, and environment, and centres on self-efficacy, an individual's belief in their capacity to succeed; it supports the expectation that employees who observe competent behaviour being modelled and rewarded are more likely to internalise and replicate it, improving performance through better individual contributions. Institutional Theory (DiMaggio & Powell, 1983) holds that organisations conform to external pressures, such as government training mandates, educational curricula, industry standards, and international frameworks like the Sustainable Development Goals, to gain legitimacy, shaping the extent and quality of capability investment.

2.4 Empirical Review

Studies on human knowledge and financial performance show that non-financial interventions can advance social empowerment through the mediating role of human capability (Bibi et al., 2022), and that entrepreneurial orientation dimensions, particularly innovativeness and risk-taking, improve organisational performance in food and beverage SMEs when human knowledge allows firms to capitalise on these orientations (Abdulsamad et al., 2020). On access to information and operational efficiency, waste management research links recycling to resource conservation through better operational information and applied knowledge (Udodiugwu, 2024), while research on inspirational leadership in Bangkok's food and beverage sector shows that access to strategic information helps employees convert leadership direction into efficiency gains (Chienwattanasook & Onputtha, 2022).

On capability development and employee engagement, green human resource practices and green employee behaviour have been shown to significantly improve sustainable organisational performance (Sari & Soelton, 2024), and innovative work behaviour has been found to mediate the relationship between entrepreneurial leadership and employee performance in Ghana's food and beverage industry (Adu et al., 2024). Regarding the combined influence of capability on performance, workforce diversity research in the Ethiopian food and beverage sector shows that workplace ethics mediate the diversity-performance relationship, indicating that capability development must address ethical as well as technical dimensions (Mehari et al., 2024), while Green HRM practices have been found to relate positively to environmental performance in the sector more broadly (Yusoh et al., 2023).

2.5 Conceptual Model

The proposed model positions human capability, operationalised through human knowledge, access to information, and human capability development, as directly influencing organisational performance, operationalised through financial performance, operational efficiency, and employee engagement. Each dimension of human capability is hypothesised to relate to organisational performance both individually (H01, H02) and jointly (H03), with the framework reflecting the food and beverage sector's dependence on a capable workforce to translate green management and operational goals into measurable financial and operational outcomes.

2.6 Gap in the Literature

Existing studies establish links between workforce knowledge, information access, and financial or operational outcomes, but rarely test how the specific dimensions of human capability interact to shape multidimensional performance within the Nigerian food and beverage sector. Most prior work is situated in developed economies or unrelated industries, leaving the socio-economic, regulatory, and institutional conditions distinctive to South West Nigeria underexamined (Mehari et al., 2024; Yusoh et al., 2023). This study addresses that gap by testing the direct influence of human capability on organisational performance among selected food and beverage companies in the region.

Methodology

The study adopts a descriptive survey design to capture human knowledge, access to information, and human capability development, alongside financial performance, operational efficiency, and employee engagement, as currently practised and perceived within the sector.

3.1 Population and Sample

The population comprises all staff of the 26 food and beverage manufacturing firms listed under the Consumer Goods/Foods, Beverage & Tobacco and Consumer Goods/Breweries categories on the Nigerian Exchange as of 2025 (Nigerian Exchange Group, 2025). A two-stage stratified sampling technique is applied. Taro Yamane's formula, $n = N / (1 + N \cdot e^2)$, with $N = 26$ and $e = 0.1$, yields a company sample of approximately 21 firms, allocated proportionally across the two sub-sectors. Cochran's formula, $n0 = (Z2 \cdot p \cdot (1 - p)) / e2$, with $Z = 1.96$, $p = 0.5$, and $e = 0.05$, yields a staff sample of approximately 384 respondents, distributed as 293 from the Foods, Beverage & Tobacco category and 91 from Breweries.

3.2 Instrument, Validity, and Reliability

Data are collected via a structured questionnaire adapted from previously validated scales. Section A captures socio-demographic and firm-level information; Section B comprises four thematic parts, each with eight five-point Likert-scaled items (Strongly Agree = 5 to Strongly Disagree = 1), covering human knowledge and financial performance, access to information and operational efficiency, human capability development and employee engagement, and the combined influence of human capability on overall organisational performance. Face and content validity are established through expert and supervisory review, refined through a pilot study of 10 managers, and internal consistency is assessed using Cronbach's Alpha against a 0.7 threshold.

3.3 Data Collection and Analysis

A letter of introduction from the Department of Management and Accounting, Lead City University, facilitates access to the 21 sampled firms. Three trained research assistants administer the questionnaire over two weeks across Lagos and Oyo States. Descriptive statistics summarise socio-demographic data and variable prevalence, while multiple regression analysis tests the three hypotheses using SPSS version 27. The model is specified as $Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon it$, where Y is organisational performance, X1 is human knowledge, X2 is access to information, X3 is human capability development, $\beta 0$ is the constant, $\beta 1$–$\beta 3$ are coefficients, and εit is the error term.

Conclusion and Expected Contribution

This paper has established the conceptual and methodological foundation for examining the influence of human capability on organisational performance among food and beverage manufacturing firms in South West Nigeria, a sector challenged by declining profitability, high infrastructural costs, and workforce competency gaps. By conceptualising human capability through the dimensions of human knowledge, access to information, and capability development, and examining their relationships with financial performance, operational efficiency, and overall organisational performance, the proposed study seeks to extend the existing body of human capital research. Unlike previous studies that often treat human capability as a single, undifferentiated construct, this study adopts a more nuanced and context-specific approach that reflects the realities of the Nigerian manufacturing environment.

Upon completion, the proposed survey and regression analyses are expected to identify the specific dimensions of human capability that most strongly influence organisational performance outcomes. The findings will provide empirical evidence to guide human resource practitioners, training institutions, organisational leaders, and policymakers in designing targeted capacity-building initiatives, improving workforce development strategies, and enhancing the utilisation of available government support programmes. Ultimately, the study is expected to contribute to both the theoretical understanding and practical application of human capability as a strategic driver of sustainable organisational performance in Nigeria's manufacturing sector.

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