MANAGERIAL SKILLS DEVELOPMENT AND ORGANIZATIONAL PROFITABILITY OF MANUFACTURING FIRMS IN PORT HARCOURT

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Abstract

This study focused on managerial skills development (MSD) and organizational profitability (OP) of manufacturing firms in Port Harcourt. The purpose was to establish if the dimensions of MSD had any relationship with OP. Three hypotheses guided the study. These hypotheses were tested using Spearman's rank order correlation techniqueat a significant level of 0.05. Using a sample of 132 managers drawn from 12 companies, the researchers found that conceptual skills development and technical skills development have no significant relationship with profitability. Meanwhile a moderate significant relationship exists between human skills development and profitability. Based on this, it was concluded that in addition to MSD, other factors like economic, social, political, etc. contribute to determine the OP of manufacturing firms. Hence, the study recommended that Organizations should continue to encourage MSD programmes in spite of the perceived little influence it has on OP. In doing this, particular attention should be paid to HSD since the study has proven that it has the potential of boosting profitability. In addition to MSD, managers should equally be trained on information management skills. This will help them to proactively manage complexities in the business environment that are likely to impact negatively on the organization.

Keywords: Managerial skills development, Technical Skills, Human skills, Conceptual Skills, Performance, Profitability.

Introduction

The recent global economic recession and complexities of the business world have led to the abysmal performance and corporate failure of some organizations. This scenario has in no small way necessitated a renewed research and emphasis on organizational performance. Consequently, it becomes imperative for the performance of organizations to be evaluated through globally accepted indices like the balanced score card (Kaplan & Norton, 1994; Bontis & Fitzenz 2002). The outcome of these analyses speak volumes on the corporate standing of organizations in such areas as profitability, liquidity, market share, growth, goodwill, survival, investment potentials, equity holders benefits and sundry stakeholders interests. Apart from these implications, it points to the quality of the management team; especially in terms of the skills they possess. This means that relationships could be established between the development of managerial skills and performance of organizations. As a result of this, several organizations have adopted different strategies aimed at improving *OP*. However, despite the efforts made, many of these organizations are yet to have their bottom line improve significantly.

Literature has shown that several empirical researches have been carried out on the factors that impact on *OP* (McDermott, 2001; Mintzberg, 2004; Hernez-Broome & Hughes, 2004; Botaris, 2004; Becker, Huselid, & Ulrich, 2001; Becker & Huselid, 1998). One of the factors that came out strongly in most of these works is Human Capital Development (e.g. Barrette & Ouellette, 2000; Becker, Huselid, & Ulrich, 2001; Becker & Huselid, 1998; Delaney & Huselid, 1996; Pfeffer, 1994; Wimalasiri, 1995). The importance of Human Capital Development in driving organizational performance need not be over emphasized. Bratton and Gold (1999) emphasized that employees are critical to achieving sustainable competitive advantage. They further argued that human capital is a very important resource that can influence the achievement or attainment of the goals and objectives of an organization. Research has equally shown that people decisively contribute to corporate success; and that managerial skills development (*MSD*) which is an aspect of *HCD*, is necessary for corporate performance (Pfeffer, 1994; Hitt et al., 2001). The discourse on *MSD* and *OP* can to be likened to discussing the importance of the human beings that run organizations. In recognition of this relationship, DePaula (1967) opined that “an organization is merely a dusty legal framework without the human person. Cabrera and Cabrera (2003) agreed with this view when they posited that the dominant component of contemporary economics has experienced a paradigm shift and is no longer agriculture as it were in the pre-industrial ere, neither is it machines as it were in the industrial era, intellectual service engineered by human capital. It is however worrisome that despite the importance of managerial skills to organizational success, most Nigerian manufacturing firms have placed little or no attention to the development and advancement their managerial skills.

It is evident that one of the most critical challenges facing most manufacturing firms is poor management. Most of the manufacturing companies in Nigeria do not operate profitably due to managerial lapses. Shareholders in many instances have lamented over the poor performance of their organizations (Nwachukwu, 2000). A glance at the performance record of some of manufacturing companies quoted on the Nigerian Stock Exchange will be very revealing. The poor performance of three vital companies – Cadbury Nigeria Plc (2006-2010), Northern Nigeria Flour Mills Plc (2006-2010) and National Salt Company Plc (2005-2009) is a typical example.

A close observation of the five year financial statement summary of Cadbury Nigeria Plc shows that the segment of the market served by the company (i.e. its market share) dropped steadily between the period (2006-2010) from 41 to 32 percent; resulting to a loss. Consequently, dividends were not declared for shareholders since no profit was made for the periods. The same situation was` observed in the financial statement of Northern Nigeria Flour Mills Plc. whose report indicates that the market share declined from 28 to 22 percent since 2006-2010 resulting to company loss (i.e. no profit for the five year period). Also, National Salt Company of Nigeria Plc. experienced a steady decline in market share from 16.5 to 11.2 percent and no profit was declared for the period (2005-2009). Consequently, no dividend was paid to shareholders within those periods.

Shareholders have blamed the management of these companies for the failure to pilot the affairs of the organizations effectively towards achieving the objectives of the organization. The poor performance of managers could be attributed to the inability of organizations to develop the skills of their managers especially in this ever changing business environment where the managerial skills of yesterday are not sufficient enough to drive the firm towards the attainment of future goal. Hence there is need for manufacturing firms to have a robust culture that will provide an adequate attention and support for the development of managerial skills. This is particularly important because when managerial skills are not developed continuously to keep managers abreast with the latest development, their performances may remain far below expectation. Consequently, this study is an attempt at establishing the relationship between managerial skills development and organizational profitability. The purpose of this study is therefore to examine the influence of managerial skills development on organizational profitability of manufacturing firms in Port Harcourt.

Specifically, the purpose of this study was to ascertain the impact of conceptual skills development, Human skills development and technical skills development on the profitability of manufacturing firms in Rivers state. Three research hypotheses that were stated and tested are:

H_0:1 There is no significant relationship between conceptual skills development and profitability of manufacturing firms in Port Harcourt.

H_0:2 There is no significant relationship between human skills development and profitability of manufacturing firms in Port Harcourt.

H_0:3 There is no significant relationship between technical skills development and profitability of manufacturing firms in Port Harcourt.

The significance of this study stems from the fact that it will be relevant to manufacturing firms that exhibit negative attitude towards managerial skills development as it will enlighten them on the benefits derived from developing the skills of managers and how such skills can help in achieving corporate goals and objectives. The result of this study will also be useful to top management in Nigerian organizations as it will encourage them to give adequate attention to managerial skills development so as to improve their organizational performance. It is also expected that the study will be useful to members of the public who wish to know the attitude of manufacturing firms towards management development and how such attitude affects their organizational performance. Above all, this study will add to the existing stock of literature in this area of study.

The content scope of the study covered literature on the main constructs of the study – managerial skills development and how this may affect organizational profitability. The geographic scope of the study was limited to selected manufacturing firms in Port Harcourt. The unit of analysis was at the macro level since the respondents consisted of managers of the selected manufacturing firms in Port Harcourt.

Literature Review

Theoretical Framework

The baseline theory adopted for this study is the Human capital theory. This theory emphasizes the importance of human capital development on organizational success.

Human Capital Theory

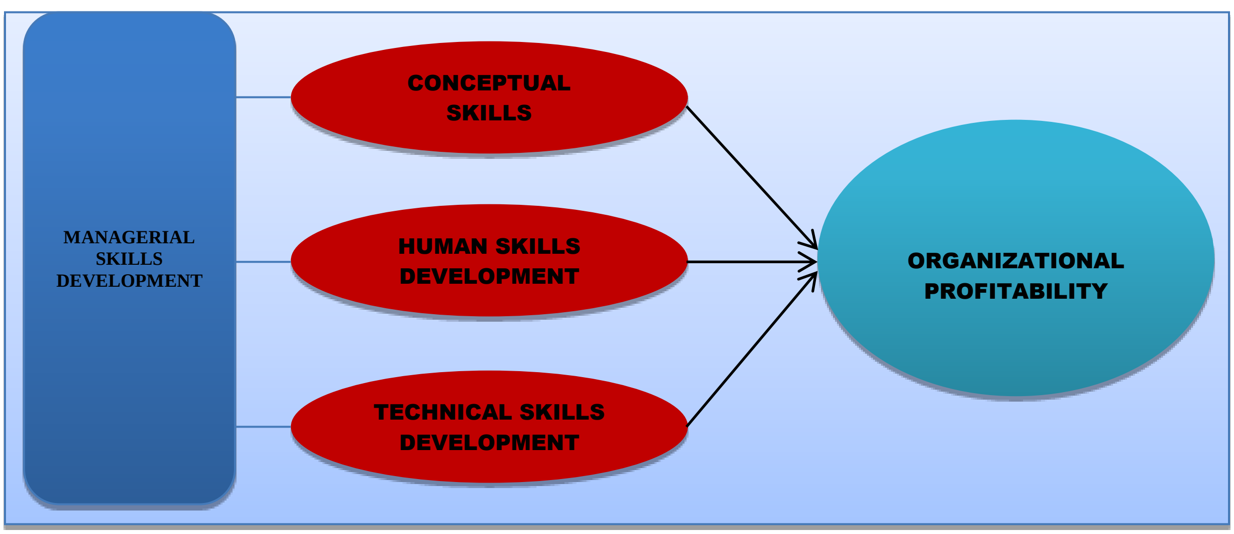
The human capital theory originated from macroeconomic development theories Schultz (1993). It was used by Becker (1993) in the domain of education. According to Schultz

(1993), human capital is an important factor that induces economic growth in modern economy. Becker argues that there are different kinds of investments on capitals; such as expenditure on schooling, a computer training course etc. He argued further that expenditures made by an organization on education, training, and medical care, etc. of their employees and managers are not mere expenses but should rather be seen as investment in capital. These investments according to him are not ordinary expenses but investment with valuable returns that can be calculated. Also, Severine and Lila (2009) were of the same view when they observed that certain talents in individuals can be developed via education and that these talents can boost economic efficiency and effectiveness of business organization. Similarly Becker (1993) further argued that investment in human capital could be viewed as similar to investment in other means of production, like factories or mines.

This theory therefore argues that since human beings (managers and employees) constitute one of the major assets of an organization, the key competences, skills, knowledge and abilities of this capital to a large extent determines their ability to accomplish organizational goal as well as be in a competitive advantage. This theory according to Armstrong (2012) helps to determine the impact of people on the business and their contribution to shareholder value. It is therefore revealing that the ability of an organization to achieve success is heavily dependent on the efficiency and effectiveness of the managers and workers of such organization. According to Dae-bong (2009), Human capital theorists believe that there is a correlation between education and income, which implies that the more education and skills one acquire, the more one can earn, and that these skills, knowledge and abilities can be transferred into the workplace in terms of productivity. This theory is a vital tool for promoting organizational performance as it stresses the need for firms to pay full attention on developing the skills of their managers as a way of achieving success and competitive edge over others. This study is therefore hinged on this theory to argue that managerial skills development can improve organizational performance.

Conceptual Framework

This study sought to examine the influence of managerial skills development on Organizational profitability of manufacturing firms in Port Harcourt. Managerial skills development shall be examined from three dimensions; Conceptual skill development, Human skills development and Technical skill development. Thus the anticipated relationship between managerial skills development and Organizational profitability has been captured in the model below.



Source: Adapted from (Katz 1974; Weihrich, Cannice & Knootzs 2010)

The Concept of Managerial Skills Development

Most often one of the most important ideas in labor economics is to think of the set of marketable skills of workers as a form of capital in which workers make a variety of investments. Loosely speaking, managerial skills correspond to any stock of knowledge or characteristics of workers (either innate or acquired) that contributes to their "productivity".

They include the total ability or capacity of people that represent a form of wealth which can be geared towards the accomplishment of organizational performance. According Schultz (1993), the term managerial skills development has been defined as a vital element in improving a firm's assets and employees in order to increase productive as well as sustain competitive advantage. It is a planned and systematic effort to improve, increase, and enhance managerial competencies, either in an individual manager or in a group of managers (Yahaya, 2009). Mintzberg (2004) defined it as a set of programmes organized to motivate managers and help them conform to new organizational policy towards the achievement of organizational goals.
For an organization to maintain a competitive advantage, managerial skills become an indispensable mechanism used to enhance productivity. It involves practices such as training, education and other professional initiatives geared towards boosting managerial skill which may in turn improve employees' performance, and ultimately reflect on a firm's profitability. To Rastogi (2002) managerial skills development is a significant effort for organizations; specifically for workers' incessant development mostly on knowledge, skills, and abilities. Barney (1995) argued that due to the erratic nature of modern day business environment, the scope of business activities has become complex. Thus, for any organization to survive there is need to contend for better competitive edge through vibrant business plans which integrate creativity and innovativeness. Undoubtedly, managers' inputs play a substantial role in actualizing this daunting task. The importance of managerial skills development therefore cannot be overemphasized as scholars (Becker, 1993; Marimuth, Arokiasamy & Ismail 2009; Odhon'g & Omolo, 2015; Schultz, 1993; Severine & Lila, 2009) have agreed that constant training and development of managers' skills give an organization a competitive advantage over their competitors as well as improve organizational performance.

This study examined MSD from three perspectives which include; Conceptual skills development, Human skill development and Technical skills development as the MSD (Katz 1974; Weihrich, Cannice & Knootzs, 2010). Though there are also several other skills, however these three skills are paramount in most organizations and their emphasis vary with respect to the managerial level. Rastogi (2002) also gave a similar view when he asserted that the job of every manager is within the ambit of these three skills – conceptual, human and technical skills.

Conceptual Skills Development

This is also known as analytical skill. Conceptual skills involve the ability of managers to think critically and analytically. According to Miles (2002), conceptual skill is the mental ability of a manager to analyze and diagnose complex situations. Sen and Saxena (2009) explained that conceptual skills are wider and more self-actualized. They comprise the capability of managers to view their organization in relation to the industry, ability to break down problems and jobs into smaller parts, the ability to harness the various parts (departments) of the organization for better performance; the ability to foresee future need and course of action from the present trend of the industry and society, and the ability to comprehend the interrelationships of works in the organization (Sen & Saxena, 2009).

It is pertinent for managers to acquaint themselves with latest skills and development that will improve their efficiency and effectiveness at work. It was in recognition of this that Ndu (2009) discussed Internship and mentoring as veritable tools for managerial skills development. Apart from internship and mentoring, other programmes that can be used to develop conceptual skills are role-playing and membership of think–tank groups or committees.

Human Skills Development

The task of managers is to accomplish organizational goal through the use of people. Therefore to get the best out of people, managers must possess the human skill. Human skill is the ability of managers to work with, and though others. Shermon (2002) defines human skills as the ability to understand, work with, and motivate other people (individual and groups inclusive). In the same vein, Nwagboa (2004) added that human skills include the ability to work well with others, motivate workers, resolve conflicts, delegate roles and communicate objectives clearly.

Developing this skill is not easy to come by because it is not easily learnt through formal training and educational programmes. It involves a lot of personal effort and input for a manager to be proficient with human skills. More so, applying human skills in solving organizational problems is not stereo-typed as individuals and situations differ in various dimensions. Nevertheless, it is important for managers to develop their human skills alongside technical skills because without developing the human skills; a manager may fail in his or her managerial responsibility. Olushegun (2008) noted that it is possible for a manager to possess a sound technical skill and still lack the requisite human skill. Managers in this category may not be successful because they will be unable to understand, motivate and work together with others to achieve organizational goals. Ndu (2010) opined that human skill is an important quality of a good manager and can be developed with the use of emotional intelligence.

Technical Skills Development

Technical skills entail the ability of a manager to apply specialized knowledge or expertise (Adler & Bartholomew, 2002). However, Korman (2010) pointed out that technical skills comprise specific training, proficiency on specialized tasks, expertise in a particular field or industry and the ability to carry out a specific task and objectives. For instance the engineers, Accountants, architecture, computer scientist etc. possess this kind of skill. Technical skills can be developed through a number of ways; like training, coaching, job rotation, educational programmes etc. Technical skills are most important at lower levels of management.

Concept of Organizational Profitability

The word profitability is coined from two words; profit and ability. While profit is the excess of revenue or income over the associated cost for an activity over a range of time; ability denotes the capacity to achieve. Profitability is therefore the ability to make profit. It is the ability of an investment to yield returns; it shows the efficiency of management in utilizing the scarce resources of an organization. In the context of manufacturing firms, profitability is the ability of manufacturing firm to generate income that exceeds the cost of production and other non-production and administrative expenses incurred in running the business. Every business is primarily geared towards making profit; and profit is the most important measure of organizational performance (Nwachukwu, 2000). It is evident that without profit, no business can survive in the long run. Therefore manufacturing companies must endeavour to measure past profitability, current profitability and use such information to project for future profitability (Don 2009). The measurement of profitability is the most critical measure of organizational performance and business success (Kotler & Amstrong, 2004). It is measured by matching income against expenses. Don (2009) noted that one of the most appealing tasks of a manager is to increase profitability. Managers must constantly look into new ways of increasing the ability of their organization in making profit. In doing this, managers should endeavour to invest on managerial skills development (McDermott, 2001; Olusegun, 2008).

Empirical Review

There is no gain saying that the success of any business operation is largely dependent on the managers' level of competence. As stressed by Katz (1974), management involves getting anticipated result though and with the use of people. This implies that for an organization to perform efficiently and effectively; and attain corporate objectives, such organization must possess a team of qualified managers who can drive it from its current state to a more desirable one. Herciu and Ogrean (2006) were of the same opinion when they asserted that human resource is a strategic tool for handling internal environment of a business firm which will in turn determine the effectiveness of managerial efforts.

Scholars (Barrette & Ouellette, 2000; Becker, Huselid, & Ulrich 2001; McDermott, 2001; Mintzberg 2004; Hernez-Broome & Hughes, 2004; Botaris 2004; Collins, 2008) have discovered that most organizational failures arise from incompetency and laxity on the part of managers. They attached the failures of manufacturing firms to the lack of required skills, corporate and managerial competence as well as over rigidity to bend to current economic realities in the face globalization. However, they agreed that managers can only be more competent in doing their job through constant training and development.

Miles (2002) in his study explained that conceptual skills connote the mental ability of managers to analyze / diagnose a complex situation in a critical and analytical manner. This is not far from the discovery of Sen and Saxena (2009) who explained that conceptual skills are wider and more self-actualized; and that for organizations to remain competitive, they must invest on managers' conceptual skill development. They concluded that developing the conceptual skills will enable managers foresee market trend, form suitable policies and develop new products that will be appealing to the society; as such, improve the profitability of their organizations. Weihrich, Cannice and Knootzs (2010) were also of similar opinion when they asserted that the higher the management level, the more important conceptual skills become and that it is pertinent for managers to acquaint themselves with latest skills and development that will improve their efficiency and effectiveness at work through adequate investment on training and workshops.

The study of Bates (1990), Green (1993) and Mincer (1997) also revealed that lack of training and development often lead to managerial poor performance; while their presence is often associated with greater productivity, organizational growth and longevity of firms. Doucouliagos (1997) gave a similar observation that developing human skills do not only motivate workers but also increase their level of commitment to work towards a better performance. Therefore investment in human skill development is a desirable and worthwhile venture.

In their study, Seleim, Ashour, and Bontis (2007) revealed that there is a significant relationship between technical skill development and performance. Their study was carried out in a software development company. They observed that adequate training and team work often resulted in improved productivity which can further be translated to improved organizational performance. This finding was corroborated by Dooley (2000) who discovered that a significant positive correlation exists between the quality of developers and their market share. Also Bontis and Fitzenz (2002) found out that management skills development has a direct influence on Returns on Investment (ROI) which is a strong index of profitability.

Methodology

The research design used in this study is the survey method of quasi-experimental design (Baridam 2010). This is because the research does not involve any form of strict scientific experiment; rather it involves human beings who are not under the control of the researchers. The population of the study comprises all the registered manufacturing firms in Port Harcourt. There are 34 registered manufacturing firms in Rivers and Bayelsa States (Manufacturing Association of Nigeria [MAN], 2011). Out of these, 32 of them are in Rivers State and coincidentally, are located in Port Harcourt (MAN). However, for the purpose of this study, the researchers used the cluster sampling technique to select 12 of these companies that are located within the trans-Amadi industrial layout area of Port Harcourt and its environs. To determine the accessible population, only managers from the top management and personnel/human resources department were considered. This gave rise to an accessible population of 200 managers. The distribution is as shown in the appendix.

Since the accessible population of 200 is relatively large, the Krejcie and Morgan (1970) table for sample size determination was used to ascertain the sample size of 132 managers. Subsequently, the ratio method was used determine the number of managers to be sampled in each of the companies. The sampling procedure used in selecting the sample for the study is the simple random sampling. By simple random sampling, it means that each of the sampling units had equal chance of being selected for the study. This was used because it ensures a fair representation of the population of study.

To ensure triangulation, data for this study was collected from both primary and secondary sources. However, the main source of data for this study was generated from the use of an instrument designed by the researchers. The instrument was titled managerial skills development and operational profitability of manufacturing firms in Port Harcourt. It was made up of two sections; A and B. Section A contains the personal information of the while section B dwelt on the subject matter under investigation. The instrument was validated both at the face and content levels through constructive inputs of scholars and experts in the field (Nunnally & Bernstein, 1994). While the reliability of the instrument was determined by the use of Cronbach's alpha test (Cronbach, 1955). The result displayed a stability value of 0.931; which satisfies the 0.7 minimum level set by Nunnally (1978).

Out of the 132 questionnaire administered, 115 copies were returned (87.12% response rate), while 22 were badly filled, leaving us with 93 (80.87% valid response rate), which served as the working sample size. Data analysis was carried out using the Spearman's Rank Order Correlation coefficient with the aid of the Statistical Package for Social Sciences (SPSS, version 21.0) software technology; at the 0.05 level of significance. This non-parametric test technique was adopted due to the ordinal nature of the data and the prior tests for normality, linearity and homoscedasticity (Pallant, 2013; Tabachnick & Fidell, 2001).

Empirical Results

H_0:1 There is no significant relationship between conceptual skills development and profitability

Table 1: Conceptual Skills development and Profitability.

Correlations

			Conceptual Skill Development	Profitability
Spearman's rho	Conceptual Skill Development	Correlation Coefficient	1.000	.172*
		Sig. (2tailed)	.	.223
		N	93	93
	Profitability	Correlation Coefficient	.172*	1.000
		Sig. (2-tailed)	.223	.
		N	93	93

Source: SPSS Computation Output

Table 1 above shows the correlation coefficient of 0.172 and a P value of 0.223. The result showed a very low direct and insignificant relationship. Since the P value of 0.223 is greater than 0.05, the correlation is not significant at the 0.05 level of significance. Consequently, the null hypothesis of no significant relationship was upheld; meaning that there is no significant relationship between conceptual skills development and profitability of manufacturing firms in Port Harcourt.

H_0:2 There is no significant relationship between human skills development and profitability.

Table 2: Human Skills Development and Profitability.

Correlations

			Human Skill Development	Profitability
Spearman's rho	Human Skill Development	Correlation Coefficient	1.000	.457**
		Sig. (2tailed)	.	.001
		N	93	93
	Profitability	Correlation Coefficient	.457**	1.000
		Sig. (2-tailed)	.001	.
		N	93	93

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Computation Output

Table 2 above shows a correlation coefficient of 0.457 and a P-value of 0.001. This indicates a moderate direct and significant relationship between human skill development and Profitability. Since P (0.001) is less than 0.05, we refuse to uphold the null hypothesis; and state that there is a significant relationship between human skill development and profitability of manufacturing firms in Port Harcourt.

H_0:3 There is no significant relationship between technical skills development and profitability.

Table 3: Technical Skills development and Profitability.

Correlations

			Technical Skill Development	Profitability
Spearman's rho	Technical Skill Development	Correlation Coefficient	1.000	.081*
		Sig. (2tailed)	.	.568
		N	93	93
	Profitability	Correlation Coefficient	.081*	1.000
		Sig. (2-tailed)	.568	.
		N	93	93

Source: SPSS Computation Output

Table 3 above shows the correlation coefficient of 0.081 and a P value of 0.568. The result showed a very low direct and insignificant relationship. Since P (0.586) is greater than 0.05, the correlation is not significant at the 0.05 level of significance. Therefore, the null hypothesis of no significant relationship was upheld; meaning that there is no significant relationship between technical skills development and profitability of manufacturing firms in Port Harcourt.

Discussion of Findings

The finding emanating from hypothesis one which showed that there is no significant relationship between conceptual skills development and profitability of manufacturing firms in Port Harcourt was quite surprising. It disagrees with the position of Sen and Saxena (2009) who concluded that developing conceptual skills enable managers to foresee market trend, form suitable policies and develop new products that will be appealing to the society; as such, improve the profitability of their organizations. The finding equally disagrees with that of Ndu (2009), who found that there is a significant positive relationship between mentoring and profitability; and between internship and profitability of construction companies in Port Harcourt. Similarly, the finding runs at variance with that of other notable scholars (Bates, 1990; Green, 1993; Mincer, 1997) who revealed that lack of training and development often lead to managerial poor performance; while their presence is often associated with greater productivity. However it agrees with that of Miles (2002), who found that managers can be conceptually competent, yet still fail because of their inability to rationally process and interpret information. In the case of this study, the finding can be explained by the fact that manufacturing firms are mostly affected by unfavorable foreign exchange policies of government, exchange rate fluctuations, inflation, stagnation and recession which has plagued the Nigerian economy in recent times. It should be noted that apart from competence in conceptual skills, other factors like recession, natural disaster, economic, social-political and legal factors all contribute to the determination of the profitability of a firm.

The finding emanating from hypothesis two showed that there is a significant relationship between human skills development and profitability. This result is understandable since all managers strive to improve the productivity by working through and with the use of employees; therefore to succeed they need some interactive skills. Support was found for this result in the works of Rastogi (2002) who opined that a manager's job revolves around these three skills - technical, conceptual and human factors; and that effective management of all these three factors, especially the *conceptual* and *human* dimensions can help increase productivity which in turn increases the profitability of an organization. Support was also found in the work of Doucouliagos (1997) who observed that the development of human skills do not only motivate workers but also increase their level of commitment to work towards a better performance.

The result from the third hypothesis showed that there is no significant relationship between technical skill development and profitability is also worrisome. This finding disagreed with that of Ndu (2009), who found that there is a significant positive relationship between training and profitability in Port Harcourt construction companies. It should be noted that training is one of the ways of developing technical skills in mangers. This is understandable since Ndu's work was focused on construction companies. However the finding agrees with that of Miles (2002), who found that managers can be technically and conceptually competent, yet still fail because of their inability to rationally process and interpret information. The implication here is that technical competence alone is not enough to drive profitability especially in a manufacturing firm. Economic factors such as state of the economy, income level, inflation, monetary and fiscal policies, as well as socio-cultural and politico-legal factors all contribute to the determination of the profitability of a firm.

Conclusion

This study has shown that organizational profitability may be minimally affected by managerial skills development in manufacturing companies. Specifically, only one dimension of *MSD* has been found to have significant impact *OP,* which is: there is a significant relationship between human skills development (*HSD*) and profitability. What this study has shown is that even though majority of the managers indicated that to moderate and large extents, their companies encourage *MSD*; yet these have not greatly influenced the profitability of manufacturing firms. The peculiarity of the manufacturing sector, prevalent economic situation as well as the socio-politico-legal atmosphere all contribute to influence the profitability of manufacturing firms. These notwithstanding, organizations should continue to encourage *MSD* programmes in spite of the perceived little influence it has on *OP.*

Recommendations

The following are recommendations made from the finding of this study:

i. Organizations should continue to encourage *MSD* programmes in spite of the perceived little influence it has on *OP.* In doing this, particular attention should be paid to *HSD* since the study has proven that it has the potential of boosting profitability.
ii. In addition to *MSD,* managers should equally be trained on information management skills. This will help them to proactively manage complexities in the business environment that are likely to impact negatively on the performance of their organizations.

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Appendixes

1: Analysis of Questionnaire Distributed

No of copies sent out	% of copies sent out	No of copies received	% of copies received	No of copies not received	% of copies not received	No of copies used	% of copies used	No of copies not used	% of copies not used
132	100	115	87.12	17	12.88	93	80.87	22	19.13

2: Population and Sample Size Distribution

S/N	Companies	No of Managers	Workings of sample
1	Nigerian Bottling Company Plc.	28	28/200 x 132 = 18
2	First Aluminiun Nigeria Plc.	19	19/200 x 132 = 13
3	General Agro Industries Ltd	13	13/200 x 132 = 9
4	Port Harcourt Flour Mill Ltd	16	16/200 x 132 = 11
5	Grand Petro- Allied Ind. Ltd	12	12/200 x 132 = 8
6	Eleme Petrochemical Company	32	32/200 x 132 = 21
7	Sun Flower Mfg Co.Ltd	16	16/200 x 132 = 11
8	QR Manufacturing & Trading Co.	12	12/200 x 132 = 8
9	Cocodile Matchets Nig. Ltd	9	9/200 x 132 = 5
10	Rivers State Vegetable Oil Co. Ltd	21	21/200 x 132 = 14
11	Dangote Bail Ltd	12	12/200 x 132 = 8
12	Best Aluminum Mfg Co. Ltd	10	10/200 x 132 = 6
	Total	200	132