

## Effect of Human Capital Development on the Performance of Garment, Textile and Fashion Industry in Nigeria: Business Founder Perspective

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**Abstract:** *The garment and textile sectors in Nigeria have been performing below expectations due to corruption and poor capital factors. This study examined the impact of human capital development as a revitalization force in the sector from the business owners' perspective. We engaged in descriptive survey research with a sample of 350 purposefully selected respondents from 35 garment, textile, and fashion firms in Nigeria. The reliability of the instrument was established at 0.05, while factor loading was found to be efficient. Using the structural equation model (SEM) and partial least squares analysis, we obtained regression weights for the components of the common human capital development factors. We found that education, training, and exposure to diverse experiences were key factors that drive garment, textile, and fashion firms' performance when considered from the owners' perspective. Specifically, we found that business owners who undergo quality education yield a significant impact on the productivity of the sector (coefficients = 1.825\*\*\*), while the frequency of founders' education, training, and exposure were found to be significantly impacting the sector's productivity (coefficients=1.735\*\*\*; 3.488\*\*; 1.5\*\*). Business owners with concurrent directorship, mentorship, and managerial experience have the potential to revitalize the sector, increasing their productivity power. Therefore, Nigerian garment, textile, and fashion firms should engage in continual training and education of their top management owners and yield to demand for multiple and concurrent directors in different organizations.*

**Keywords:** Human Capital Development, Garment, Textile, Fashion Industry.

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### Introduction

Investing financial capital and getting employees to understand the goal of the business are important for any business to begin its operational activities. However, as both competition and employee turnover increase, founder intellectual capital contributions to business organizations remain one of the most important capital resources at the disposal of corporate organizations for

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creating desired business change, transformation, and lasting sustainability (Bruederl *et al.*, 1992). Studies on the impact of human capital on firms' performance focused largely on employee intellectual advancement as a form of human capital development (Chigozie *et al.*, 2018; Philip & Ikechukwu, 2018). While such studies are contributing, it does seem, however, that the human capital construct has been largely misconstrued by these studies. These studies viewed human capital from an employee perspective while ignoring business founders' human capital development as a source of value creation. This problem is a result of a high foundation in economics. Economics views capital solely from the point of view of factors of production and not necessarily as investment resources in business organizations. However, if capital from a business perspective suggests resources contributed by shareholders or business owners, then human capital should be viewed from the perspective of intellectual resources contributed and being contributed by the business owners. From this perspective, this present study, following Bruederl *et al.* (1992), who defined human capital from business owners' perspectives, views human capital from the angle of business owners' intellectual capital contribution beyond financial equity. Moreover, the present study advances human equity development theory and the performance effect in Nigeria's declining garment, textile, and fashion industries as revitalization strategies based on founders' human capital development.

In a sector such as the garment, textile, and fashion sectors, where business organizations are facing serious decline in performance, human capital contributions could play a revitalization role, particularly when tackled from the owner perspective. At least the owners' human capital advancement could direct the sectors' goals properly. Moreover, with the increasing high turnover of employees in garment and textile firms due to poor remuneration, focusing on the employee perspective of human capital stock would only achieve a short-term effect. Human capital theory has important implications for manufacturing firms (Youndt *et al.*, 1996). In manufacturing settings, for instance, the theory shows that a human resource management system relates to performance, especially when it is combined with a quality manufacturing strategy (Youndt *et al.* 1996). A quality manufacturing strategy is often within the domain of business owners. The rising failure of textile firms in Nigeria has thus necessitated the need to review their operational models in terms of human capital combinations and development. Funds have been pumped into the sector over the years as financial capital contributions. Employees have been trained to a large extent, which could yield a change within the sector in Nigeria. Yet, survival in the garment and textile space in Nigeria has remained far from reality, suggesting that financing and perhaps sole employee development may not constitute a major constraint to the growth of the sector. Research shows that organizations where the founders continue to increase their knowledge base have survived the test of time (Youndt *et al.* 1996). Thus, as financial capital seems not to be a success factor and increasing employees knowledge seems to contribute very little to the growth of this sector, it becomes necessary to examine how the garment and fashion firms' owners' intellectual capital contributions can drive the sector's performance. Human capital theory from the founder perspective seems to possess the potential to address the increasing decline in this subsector based on its founder's continual training and improvement argument (Bruederl *et al.* 1992).

Therefore, this study views the problem of the Nigerian garment and textile industries through the lens of human capital theory's application. Capital, as already highlighted, is the resource contributed by the owners of the business. There are two types of capital expected of the founders to contribute to the business: financial capital and intellectual or human capital. The former,

however, is inevitable for a business to start its operations, but it can only be expanded quantitatively and must be properly managed by the intangible capital. Because human capital is not a tangible, quantifiable resource, it is often ignored from the founder's perspective, especially where ownership is separated from control and management. This does not only result in a lack of capacity but also undermines motivation to employ other resources efficiently for organizational goals (Anosa, 2021; Ugbaja, 2005). To avoid these consequences in textile industries, it is crucial to investigate the effect of human capital development on the performance of the garment, textile, and fashion industries in Nigeria with a bias on human capital theory.

Generally, human capital theory is concerned with the knowledge and experiences of small-scale business owners (Frese & Rauch, 2001). However, the theory can be extended to large business owners because of the increasing role shareholders play in the management of corporate organizations. The general assumption of the human capital theory is that the intellectual capital of the business founder improves the firm's chances of survival and revitalization (Bruederl *et al.* 1992). Thus, a business founder's experience can change corporate organizations from loss-making firms to promising corporations. This means that companies could use the stock of founder experience and knowledge to revitalize dying firms. A product innovation due to funders' intellectual capital contributions can lead a firm to gain a competitive advantage in an industry, which could in turn translate into higher market shares. In addition, founder experience and length of education can enable innovative product commercialization, which could translate into higher company profitability when such products are sold competitively by means of efficient pricing policies.

However, for any organization to acquire a higher level of intellectual capital that will impact the firm's performance and enhance transformation, human capital development and consistent knowledge management must occur (Cooper, Dunkelberg & Woo, 1988; Gimeno, Folta, Cooper & Woo, 1997; Bruederl *et al.*, 1992). Development suggests continual exposure of the founders to substantial training. Since human capital theory has to do with knowledge and capacities, it implies processes that can train and improve human capital. This means that human capital development is expected to be a long-lasting experience from diverse sources. The mistake corporate owners will make is trying to limit their experience to the present sectors of their business while also failing to diversify their academic knowledge base. Business is going global, conglomerate, and competitive, thus requiring experience from diverse sectors to withstand competitive pressure and mitigate being crowded out. In this case, founders' intellectual capital should not be limited to a first-degree academic exposure; multiple degrees could be a more sustainable tool.

While research has consistently examined the impact of human capital development on firms' performance in Nigeria, there are few studies that focus on the garment, textile, and fashion industries. Moreover, studies that examine the impact of human capital development on firm performance from the perspectives of concurrent business owner directorship and multiple academic degrees are very scanty. Philip and Ikechukwu (2018) examined the impact of human capital development on employee performance based on selected oil services firms in River State, Nigeria. It found that employee training was positively associated with their performance, though the study lacks generalization based on its parochial approach. Also, it considered human capital from an employee perspective. Chigozie *et al.* (2018) focused on the effect of human capital development on the performance of manufacturing firms in south-east Nigeria. The study found that the skills and knowledge of employees positively affected firms' performance. However, the

study did not also examine human capital development from the founder's, concurrent founders' and multiple academic perspectives. Thus, it was not clear in the study how human capital as a founding resource affects organizational performance among Nigerian manufacturing companies. This study contributes to the literature by providing evidence on the impact of exposing business founders to concurrent business directorship experience on firm performance. Though length of business owner experience has been found to play a key role as a human capital development strategy in impacting firm performance, it was not very clear how founders with multiple educational backgrounds could impact garment firms' performance in Nigeria. This study contributes by providing evidence of how business founder exposure to diverse academic qualifications could prove an effective tool in increasing the performance of the garment and textile industries in Nigeria.

## **Theoretical and Conceptual Framework**

### **Human Capital Concept**

Human capital has been widely accepted as an intangible asset from employees or employers that cannot be traced in a firm's statement of financial position but has the capacity to create value through productivity improvement. Research shows that there is an economic value to the education and experience of workers (Frese & Rauch, 2001). Thus, human capital constitutes such intangible assets as education, intelligence, skills, health, loyalty, and punctuality of workers and business owners. Combined, they make up firms' stock of human capital. These assets can be marketable and have caused a lot of wage and income differentials among employees and business owners (Bruederl *et al.* 1992). Generally speaking, human capital is any stock of knowledge, experience, or attributes the worker has, which can be inborn or acquired, that enhances their productivity and efficiency.

### **Theory of Human Capital Development**

The theory of human capital states that human capital is vital for organizational sustainability because it positively impacts productivity and profit margins. While firms can have diverse workers or owners with different innate or acquired skills, they may not continually increase production if their human assets do not appreciate. In this case, human capital appreciation suggests skill enhancement. In fact, the concept of human capital recognizes that every worker or business owner does possess equal skills. As such, higher productivity could be achieved through an improvement in the quality of human capital. This is usually done by investing in workers' and owners' education, experience, health, and learning skills. Human capital development theory concludes that investment in human capital is necessary to enhance organizational performance (Becker 1993). Researchers seem to agree that human capital development in terms of education, health care, mentoring, and learning is the key to improving human capital quality, which eventually increases the financial output of firms and the nation (Becker 1993).

### **Empirical Review**

Research on human capital development has grown over the past few years, though the evidence is still scanty in most sectors and jurisdictions. Daniel (2019) found that in trust fund pensions, human capital management significantly improved organizational performance. According to the finding, the necessity for human capital development includes teaching the skills and knowledge required of new employees, meeting the challenges of technological innovation, acquiring the skills required in the competitive market, and enhancing human capital resourcefulness. Chigozie, AGA, and Onyia (2018) examined the effect of human capital development on the organizational

performance of manufacturing firms in south-east Nigeria. Analysis of a sample of 306 staff members showed that knowledge has a significant positive impact on product quality, while skills also have a significant positive impact on promoting innovations. Thus, firms that emphasize human capital training could enhance their product quality and innovation practices. The study warns that any organization that does not learn continuously will not be able to compete effectively in the market. As such, organizations should always develop their human capital to boost innovations that leverage performance. In Somalia, Afrah (2016) provides evidence that human capital development is part of an organizational performance strategy, and such a strategy positively affected performance at Banadir University. As such, organizations that have developed their human capital brag of higher performance. In Nigeria, Ojokuku and Sajuyigbe (2015) showed evidence that human capital development was critical to the performance of SMEs to the extent that the effect was significantly positive. Thus, as SMEs develop their employees, they will achieve higher economic gains. This finding indicates that SMEs should concentrate on developing their employees to achieve sustainability. Similarly, evidence from Sowunmi, Eleyowo, Salako, and Oketokun (2015) provided evidence that a sample analysis of Ogun State Bank staff showed that human capital development in the form of staff training leveraged the performance of the banking staff. As a conclusion, Sowunmi *et al.* (2015) recommended that new-age banks devote their resources to training their staff to maximize economic gain, implying that such training should be a frequent activity.

Within the manufacturing sector in Nigeria, the study of human capital development by Aniegboka (2011) showed that human capital development strongly impacts the performance of manufacturing firms. Their analysis showed that the training of employees influences organizational performance. Consistently, the study recommends human capital development implementation to direct work forces for higher achievement. In a similar study, Oladejo and Yinus (2014) show that human capital development through an effective compensation plan in quoted food and beverage manufacturing companies in Nigeria enhanced labour performance. Thus, the study concludes that the nourishment of employees could constitute an effective instrument for enhancing firms' employees' capabilities, which would translate into higher performance. Steve *et al.* (2010) found that training and expertise enhanced the performance of entrepreneurs in Awka, Nigeria. A survey by Ajisafe *et al.* (2015) showed that human capital management significantly affects organizational performance in Ondo town, Nigeria, so training employees is highly recommended. Amir and Amen (2013) found that training enhances employees' performance. Pakistan *et al.* (2011) found that employee development significantly affects their performance. Thus, by implication, an employee is a valuable resource for the organization, but it depends on the level of training they receive.

### **Hypotheses development**

This study recognized three main components of human capital development processes: education, training, and exposure to experience. These constitute the observed variables, and they would be related to productivity and general performance in garment and textile firms in Nigeria. As previously discussed, human capital theory is concerned with the knowledge and experiences of small-scale business owners (Frese & Rauch, 2001). The general assumption is that the human capital of the founder improves a small firm's chances of survival. This is because human capital acts as a resource for firms, and the founders' knowledge is often long-lasting in an organization. However, human capital theory studies usually assume that experiences can be translated into

knowledge and skills. Research shows that this assumption could be problematic because the length of experience is not necessarily a good predictor of expertise (Sonnentag 1995). Therefore, it is not surprising that human capital factors such as length of managerial or industry experience or education are not strong predictors of success, although in large-scale studies they are usually significant (Bruderl et al. 1992; Rauch and Frese 2000).

Human capital makes the founder more efficient in organizing processes or in attracting customers and investors. Different studies used various operationalization of human capital. For instance, Bruderl et al. (1992) distinguished between general human capital—years of schooling and years of work experience—and specific human capital—industry-specific experience, self-employment experience, leadership experience, and self-employed fathers. The general trend indicates a small positive relationship between human capital and success. Relatively consistently, different studies identified business owners' level of education, their industrial-specific experience, and their management experience as being related to success (Cooper et al., 1988; Gimeno et al., 1997; Bruderl et al., 1992). Goebel (1995) showed that business owners' personalities explained more variance in success than their human capital. Additionally, planning and leading styles mediated the relationship between the human capital of business owners and success. Human capital theory has an important implication: Since the theory is concerned with knowledge and capacity, it implies that human capital can be trained and improved. In manufacturing settings, it was shown that a human resource management system was related to performance, especially when it was combined with a quality manufacturing strategy (Youndt et al., 1996). Human capital only functions through concrete goals and behaviours. Thus, it is related to success via goals and strategies.

Since wieners are highly involved in organizational strategies and missions, their enhanced ideas through training, education, and learning could change their organizational performance. In this case, productivity could increase; good knowledge of marketing tactics would also increase sales, while these key performance factors would ultimately lead to a higher profitability margin.

Based on this fundamental relationship between the human capital development of business owners and performance, this study proposes the following hypotheses:

**H0<sub>1</sub>:** Business owners' education significantly enhances their productivity in garment and textile firms in Nigeria.

**H0<sub>2</sub>:** Business owners' training significantly enhances their productivity in garment and textile firms in Nigeria.

**H0<sub>3</sub>:** Business owners' exposure to different directorship experiences significantly enhances their productivity in garment and textile firms in Nigeria.

### **Research Design**

This study used a descriptive survey research design to source data from 35 fashion, textile, and garment companies headquartered in Lagos State, Nigeria. The choice of Lagos State is because the search engine, <https://www.finelib.com>, where we got the directories of garment, textile, and fashion firms, focused on firms operating in Lagos. In addition, since Lagos is the hub of Nigerian industries, competition would be higher in that part of the country, which in turn would drive firms to engage in higher human capital development to avoid being crowded out. <https://www.finelib.com> is Nigeria A directory and search engine were developed with the idea of developing Nigerian local content, thereby enhancing information technological potential for higher productivity, good governance, and global competitiveness for Nigerian companies offering

good services. By using this directory search engine, we were able to get the details of the key officers of the sampled firms. In line with prior research, we focused the survey on the top executives of the sampled firms. Thus, chief executive officers (CEOs) across the spectrum of information technology, finance and audit, production, administration, human resources, supply chain, sales, innovation, marketing, and procurement were surveyed. We targeted a respondent from each of these departments for each firm. This led to a target respondent population of 350 (10x35). To ensure the internal consistency and reliability of the 5-point Likert scale, ranging from strongly agreed = 5 to strongly disagreed = 1, the advice of two academic validates was sought. Both agreed on the removal of three items from the questionnaires, which were somewhat vague. We effected the correction and pre-tested three items of the questionnaires on 10 people operating in a similar sector after their final validation. The Cronbach alpha coefficient of 0.97 was achieved, indicating that the scales and items were reliable and, as such, tested what was purported.

Since this research was carried out during the COVID-19 lockdown and interstate movement restrictions, we used the vehicle of email. First, we sent emails to ascertain if they were willing to participate. Based on their response, only 200 agreed to participate by replying to the email. Secondly, we inquired of their capacity to participate by giving two items, their response showed that only 150 were indeed capable, as they demonstrated high knowledge of human capital development and provided evidence that they are part of the business owners who act as managing CEOs. Thus, our final sample constituted 150 respondents. The data obtained were analyzed by partial least squares using the SPSS AMOS students' version.

Based on the theoretical review, human capital development is built on the variables of training, education, and experience. This study follows this approach and models human capital development using education, training, and exposure to experience. Items from questionnaires with a five-point Likert scale (5 =strongly agree to 1 = strongly disagree) were used. Using structural equation modelling, the items were tested using factor analysis. The factor loadings were obtained, and they all crossed the 0.4 bench mark, which is generally accepted for an item to be retained as a component of a factor variable.

Figure 1 below is the summary of the SEM used in this analysis. The first factor in human capital development is education, which has four latent variables: ED1, ED2, ED3, and ED4. ED=length of education, a factor of education covariate. ED2 = quality of education, where the firms' founders' quality of education was assessed on how it affected their productivity. ED3 = frequency of education; ED4=question relating to the type of degree. The second unobserved factor is training, which has four latent variables, namely TRA1, TRA2, TRA3, and TRA4. Each of the latent variables raised questions on aspects of training, such as TRA1 (length of founder training), TRA2 (quality of business founder training in the garment industry), and TRA4 (timing of the founder training and its impact on their productivity). TRA4: frequency of founder training and how it affects his or her productivity. The final factor in the SEM is founder exposure. This is a factor where founders' experiences are surveyed and analyzed. Like other factors, it has four latent variables, namely EXP1, EXP2, EXP3, and EXP4. EXP1 raised questions relating to the founders' managerial roles in previous establishments. EXP2 investigates business owners' views on concurrent directorship, which could be a source of human development tools that can effectively impact business productivity. EXP3 deals with business owners' mentorship experiences and parental indoctrination. Finally, EXP4 surveyed the business owners' length of experience and productivity relationship. These latent variables constitute the independent variables of this study.

The dependent variable based on the equation (Fig. 1) is productivity.

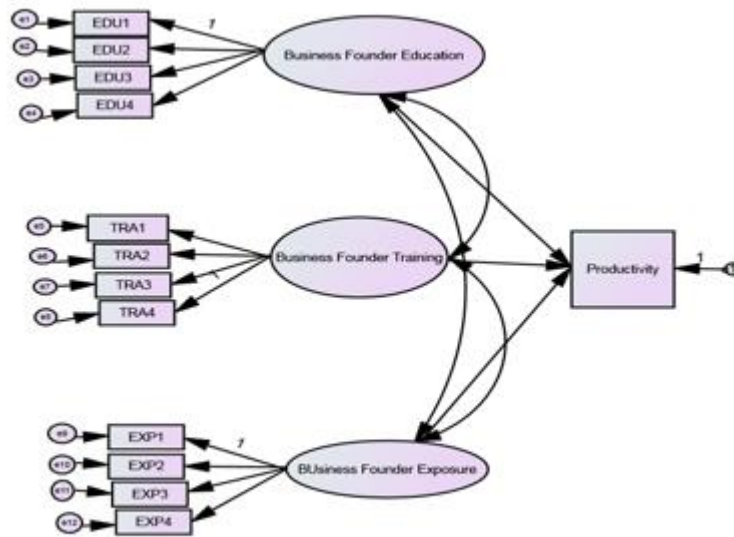


Figure 1: Structural Equation Model

**Results**

**Model Fit Measures**

First, we begin with the analysis of the model fit measures. The 1 below shows that the structural model fits the data as the minimum cutoff is achieved. The absolute root mean square error of approximation (RMSEA) value of 0.055 was achieved, which shows that the model is fit. The minimum value required for the model to adequately fit the data is 0.05 (Browne and Cudeck, 1993; Hu & Bentler 1999). RMSEA is a bad-fit index. RAMSEA equals 0, which indicates the perfect fit. However, higher values indicate that the model lacks fit (Hu & Bentler 1999; Brown & Cudeck 1999). Thus, we conclude that the model was not mis-specified. It is useful for detecting model misspecification and is less sensitive to sample size than the X2 test. The acceptable RMSEA should be less than 0.06 (Browne & Cudeck, 1993; Hu & Bentler, 1999). SRMR is similar to RMSEA and should be less than 0.09 for a good fit (Hu & Bentler 1999).

**Table 1: Absolute, Incremental and Parsimony Model Fit Statistics**

Absolute Fit Measures	Scale Values for final model
Non-centrality parameter (NCP)	1126.9
RMSEA	0.055
Expected cross-validation index (ECVI)	2.922
<b>Incremental fit measures</b>	
Normed fit index (NFI)	0.85
Comparative fit index (CFI)	0.95
Incremental fit index (IFI)	0.95
<b>Parsimony fit measures</b>	
Normed chi-square	2.55
Parsimony normed fit index (PNFI)	0.83
Akaike information criterion (AIC) Model	1274.097

Source: Author.



**Standardized Regression Coefficients****Table 2: Regression Weights**

	Observed Variables	Unobserved	Unstandardized Estimate	Standardized Estimate	S.E.	C.R.
PRO	<---	Business Founder Training	5.671*	1.404*	2.382	2.380
PRO	<---	Business Founder Exposure	-.492	-.301	.363	-1.354
EDU4	<---	Business Founder Education	1.915**	.849**	.249	7.705
EDU1	<---	Business Founder Education	2.10***	0.434**	.32	6.562
EDU3	<---	Business Founder Education	1.735***	.788***	.230	7.536
EDU2	<---	Business Founder Education	1.825***	.885***	.234	7.793
TRA1	<---	Business Founder Training	2.387***	.689***	.611	3.906
TRA4	<---	Business Founder Training	1.000	.236		
TRA3	<---	Business Founder Training	1.162**	.263**	.382	3.042
TRA2	<---	Business Founder Training	0.380*	.219*	.160	2.645
EXP1	<---	Business Founder Exposure	1.50***	.781***	.21	7.1428
EXP4	<---	Business Founder Exposure	1.183***	.868***	.075	15.789
EXP2	<---	Business Founder Exposure	1.124***	.905***	.067	16.702
EXP3	<---	Business Founder Exposure	1.059**	.803***	.074	14.279
PRO	<---	Business Founder Education	-.460	-.169	.354	-1.301

Source; Author using AMOS; \*=significant at 5%; \*\*=significant at 1%; \*\*\*=significant at 0.1%.

The table 2 above shows that the effect of human capital development significantly impacts the performance of garment and textile industries. How? You may have to draw your conclusion from an interpretation of the output.

**Table 3: Covariance Estimates**

	Covariates	Covariates	Estimate	S.E.	C.R.
<b>Business Founder Training</b>	<-->	Business Founder Exposure	.253***	.075	3.386
<b>Business Founder Education</b>	<-->	Business Founder Training	.157**	.049	3.179
<b>Business Founder Education</b>	<-->	Business Founder Exposure	.622***	.101	6.152

Source: Author using AMOS; \*\*=significant at 1%; \*\*\*=significant at 0.1%.

The table 3 shows the estimates of the covariates. The table shows that covariates yielded significant impact.

**Table 4: Correlations Coefficients of the Covariates**

Variables		Variables	Estimate
<b>Business Founder Training</b>	<-->	Business Founder Exposure	.658
<b>Business Founder Education</b>	<-->	Business Founder Training	.682
<b>Business Founder Education</b>	<-->	Business Founder Exposure	1.091

The covariate correlation coefficients are not statistically significant and do not present multi-linearity problems.

## Discussion of Findings

### *Founder Human Capital Development*

The role of founder education was clearly seen in the analysis as a tool for higher productivity in the garment and textile industries. Increasing the education of the business founder in the garment sector significantly impacts organizational productivity. From the analysis (table 2), it was found that length of education (EDU1) significantly impacts organizational productivity (coefficient = 2.10\*\*\*). This suggests that as business founders' length of education increases, their chances of higher production increase in textile firms. It also shows that shallow education would not be sufficient for higher productivity in the textile sector in Nigeria. The productivity of founders also depends significantly (coefficient = 1.825\*\*) on the quality of their education (EDU2). Thus, the institution a business founder attended is very vital in shaping the impact of human capital development on the firm's productivity. In the same way, business founders' frequency of education (EDU3) is very vital for their impactful productivity (coefficient = 1.735\*\*\*). This means that education is going to be a frequent, lifelong exercise for it to be productive in the garment industry in Nigeria. Based on these significant relationships between the education factor of human capital development and firms' productivity, we accept the hypothesis that business owners' education significantly enhances their productivity in garment and textile firms in Nigeria, which can revitalize the sector. A dying sector could therefore use the tool for the advancement of their industry. Types of degrees (EDU4) possessed by a business founder from the garment sector significantly drive firms' productivity potential (1.915).

Similar to education, training business founders constitutes an effective tool for higher productivity in the garment and textile industries. We found that increasing the training of the business founders in the garment sector significantly impacts organizational productivity. As shown in Table 2, we found that the length of founder training (TRA1) significantly impacts organizational productivity (coefficient = 2.387\*\*\*). It thus implies that as business founders' length of training increases, their chances of higher production increase in textile firms, and this effect also implies that shallow training would not be sufficient for higher productive efficiency in textile sectors in Nigeria. The productivity of founders also depends significantly on the quality of their training (TRA2) (coefficient = 0.380\*). Our analysis also shows that timing and frequency of training are equally effective in promoting higher productivity in garment and textile firms (coefficients = 1.162\*\*; 3.488\*\*\*). Thus, founders getting trained at the appropriate time could lay a good foundation for their managerial and productivity efficiency. Similarly, training should be a regular exercise based on these findings. Thus, the hypothesis that business owners' training significantly enhances their productivity in garment and textile firms in Nigeria, which can revitalize the sector, was accepted. The exposure factor of human capital development had a significant effect on organizational productivity. Our analysis shows that the managerial exposure of business founders (EXP1) has a significant effect on the productivity of business owners (1.5\*\*\*). It thus implies that as the

business owners expose themselves to managerial experience, their rate of productivity could increase. It was also revealed that firms' whose founders are exposed to concurrent directorship (EXP2) play key roles in efficient and productive service delivery in the garment sector (coefficient = 1.124\*\*\*). The implication is that business owners who play directorship roles in two or more firms at the same time could deliver effectively due largely to their experience in related industries. Productivity due to exposure in terms of mentorship (EXP3) and length of the experience (EXP4) is significantly affected (coefficients = 1.162\*\*; 1.183\*\*\*). It implies that productivity increases with prior mentorship experience. It also suggests that the productive capacity of firms increases as the length of business owners' exposure to certain relevant experiences increases. Based on this effect, we accept the hypothesis that business owners' exposure to different directorship experiences significantly enhances their productivity in garment and textile firms in Nigeria.

Our findings are consistent with the human capital development theory that the education, training, and experience of business owners and employees play key roles in shaping organizational performance (Becker, 1993; Frese & Rauch, 2001; Bruederl *et al.*, 1992). Thus, this finding supports the general assumption of the human capital theory that the intellectual capital of the business founder improves the firm's chances of survival and revitalization (Bruederl *et al.* 1992). Thus, consistent with our finding, a business founder's experience can change corporate organizations from loss-making firms to promising corporations. This means that companies could use the stock of founder experience and knowledge to revitalize dying firms. A product innovation due to funders' intellectual capital contributions can lead a firm to gain a competitive advantage in an industry, which could in turn translate into higher market shares, consistent with our findings.

### **Conclusion and Policy Implication**

Based on the findings of this study, firms' owners' education, training, and experience are critical to their productivity. While they are necessary factors, what is important are the length, quality, timing, and frequency of their human capital development exercise. It is not enough to educate them and issue them certificates. The quality is important, as is the duration of the training. Shabby training would not yield a meaningful effect. Concurrent directorship strongly connects business owners to diverse strategic experiences and the opportunity to learn from diverse industries. Such exposure could be exploited to advance organizational productivity. In a failing sector, we found that the exposure of managers and directors to diverse organizations' boards could lead to effective board strategy that would impact organizational productivity. The policy implication is that firms in the garment sector should search for top management that has multiple and concurrent directorship experiences while they continue to encourage business owners' connected training. Individuals who wish to venture into garment and textile firms should always embrace higher quality education that is relevant to the sector. It should not be shallow. Education up to a PhD in a related field could leverage their performance ability. In these ways, the failing garment and textile sectors in Nigeria could be brought to life.

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