



Research Paper

Multinational Corporations and Skills Development in Nigeria: A Survey of Dangote Cement Plc Gboko Plant, Benue State Nigeria

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Abstract

The purpose of this research is to look into multinational firms' activities and the development of skills at Dangote Cement Plc's Gboko Plant. It investigates how multinational corporations have contributed to the development of skills and economic prosperity in the nations where they operate. The research used a qualitative approach, integrating primary data from interviews with secondary data from the literature. The analysis is based on the "Human Capital Theory," which emphasises investments in the development of skills among the teeming youthful population. According to the report, Nigeria requires a national institutional framework to align multinational firms with practical initiatives like as the study concludes and recommends that, multinational corporations should create skill development opportunity for our teeming youth in the host community.

Keys: Multinational Corporations, Skills Development, Human Capital,

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I. INTRODUCTION

The perception among developing-country residents is that multinational corporations are agents of exploitation, providing no tangible benefit to the society in which they operate in comparison to the profit they make. This is largely due to multinational corporations' involvement in excessive profiteering, human rights violations, exploitation of natural and human resources, and a lack of transparency in their dealings with host countries and, in some cases, home countries regarding their operations and contracts (Glipin, 2014; Emelifeonwu & Valk, 2019). The demand for skill development has risen to the top of many countries' agendas, including Nigeria's. This is especially true in developing nations, where the skills debate has been fueled not only by the urgent need to promote socioeconomic development and transformation, but also by the necessity for these countries to fulfil the changing demands of 21st century youth development (Erunke&Kigbu, 2012; Jiboku&Akpan, 2018).

There are growing recognition on the impact of skills development on economic and communities growth, as it emphasized that skills are central to the progress and prosperity of a nations, better lives for individuals particularly in the context of a globalizing which is technology driven, knowledge sharing and information based phenomenon (Khilji, Kakar & Subhan, 2012; Orts, 2019). Skills transform and empower lives and it is an important driver of economies in the current technological and digital age. Skills affect people's lives and the wellbeing of nations (Ejere, 2011; Olufemi, Solomon & Olugbenga, 2019). Skill development has an impact on civic and social behaviour, as it affects democratic engagement, peaceful cohesiveness, and commercial partnerships. Skills contribute to economic growth in two ways: directly through greater

productivity and profitability, and indirectly through increased workers' and organisations' ability to embrace new technology, which helps multinational firms foster innovation. (Wang & Chen, 2015; Jiboku, 2016). The lack of uniformity and opinion of skills development is a gap often exploited by these multinational corporations (Jiboku & Akpan, 2018). In essence, the lack of appropriate policy framework on how companies should develop skills appears to be exploited by different multinational corporations. Companies implement training and skill development programmes that are only relevant to their profit agenda, with no regard for the host environment or employees (Solomon & Olugbenga, 2019). Scholars, on the other hand, agree that skills have a positive impact on national economic growth and development, necessitating the development of appropriate policies at all levels targeted at fostering skills development with long-term repercussions for individual employees in host nations (Wang & Chen, 2015). Developing skills is critical for developing countries particularly in Africa for the much-desired technological transfer, domiciliation of technology and emergence of indigenous technology among others.

1.1 Statement of the Problem

The desire for skill development may explain why emerging countries such as Nigeria entice international firms to invest in their economies. Multinational firms hold vital talents for a country's social and economic transformation. Despite their talent advantage, Nigeria presents a paradox in which the protracted presence of multiple multinational firms has not resulted in the development of local skills necessary for long-term development and transformation. Some international organisations have shut down or relocated their operations, leaving Nigerians unable to maintain these businesses even at a reduced level. (Gliberthroe & Banks, 2012; Jiboku & Akpan, 2018). In light of this scenario, this study investigated how Dangote Cement's Gboko plant's skills development programmes aid in the empowerment of the host community.

II. OBJECTIVES OF THE STUDY

The purpose of this research is to look into multinational corporations and skill development in Nigeria.

2.1 Concept of Multinational Corporations

A multinational corporation can be defined and characterised using law, sociology, history, and strategy, as well as commercial, ethical, and social perspectives (MNC). Multinational corporations are companies that want to operate on a global scale strategically. A multinational corporation is one that is headquartered in a metropolitan or industrialised country and operates on a global scale. According to Jiboku and Akpan (2018), a multinational firm is one that has productive activity in two or more nations. Because they serve as identifying qualities for multinational organisations, some characteristics of multinational organisations should be recognised right once. Multinational organisations are frequently extremely large corporations with headquarters in one country and activities in one or more other nations (Foss & Pedersen, 2019). Multinational corporations may increase economic activity in underdeveloped countries, allowing for higher living standards, economic progress, and regional and global activities. A multinational corporation, according to Emelifeonwu & Valk (2019), is a corporate firm that retains direct interests overseas and value-added assets in more than one country. If a company solely works internationally or as a contractor for foreign companies, it is not genuinely global. To carry out manufacturing in other nations, a multinational corporation transfers a bundle of capital, technology, management expertise, and marketing abilities abroad. Gliberthroe and Banks (2012) define multinational enterprises differently, describing them as a privately held framework aiming to establish interdependence between people in various nations through employment contracts. A multinational corporation consists of a parent business and a network of subsidiaries or branches in other countries that pool administrative, financial, and technological resources. The primary goal of multinational firms, according to Osugwa and Onyebuchi (2013), is to provide items at the lowest feasible cost for worldwide markets. This can be accomplished by locating manufacturing operations in the most cost-effective places or securing tax breaks from host governments. This ambition lends weight to Marxist claims that multinational corporations are progressive agents of capitalism. A multinational corporation is differentiated by the fact that its management headquarters are in one country, while the company operates in several others. Wang and Chen (2015) define multinational corporations as enterprises whose capital is gained via the process of international accumulation. According to Erunke and Kigbu (2012), multinational corporations are businesses that operate in more than one country. Another name for it is a global firm. Multinational corporations are defined by the International Labor Organization (ILO) as companies with headquarters in one country (the home country) and operations in numerous other nations (the host countries).

2.2 Multinational Corporation Management in Nigeria

Managing global corporations need a distinct set of mental abilities than managing merely local businesses. Understanding the principles of economic, strategic, structural, organisational, and socio-political challenges that impact the corporation's international expansion process is very important (Mark &Nwaiwu, 2015). The leader is in charge of managing multinational corporations' interactions with foreign interest groups like the government, labour unions, consumers, and suppliers, as well as managing multinational corporations' relationships with foreign interest groups like the government, labour unions, consumers, and suppliers (Ekhaton, 2018; Foss & Pedersen, 2019). In order to accomplish effectiveness and efficiency in the management process of handling this organisation, their employment modes such as polycentric, ethnocentric, and geocentric should be properly considered. Three potential models are identified by Eluka, Ndubuisi-Okolo, and Anekwe (2016). These are some of the models:

(a) Ethnocentric model: This approach is based on the notion that management and human resource practises are key core competencies for a company's competitive advantage and should not be taken lightly. Foreign subsidiaries have minimal autonomy under this model, and operations and decisions are often centralised at the headquarters. The majority of the management team is normally dispatched from headquarters. Most Japanese and American companies are known to recruit and deploy their employees in this manner.

(b) Polycentric Model: This approach treats the subsidiary as a separate company with some decision-making power. Both management and support employees are often chosen competitively from the local labour market under this arrangement. The main problem is that these local employees are seldom promoted outside of their local context, whether to other countries where the firm has branches or to the corporate headquarters. This approach is both less expensive and more adaptive to local conditions.

(c) Geocentric Model: This strategy aims to blur the borders between the main firm and its subsidiaries, which are dispersed around the globe. It tries to combine its companies with collaborative and mutually beneficial ties. Under this paradigm, the organisation comes to see itself as having a global workforce that can be deployed and used in a variety of ways around the world. The best competent people tend to fill crucial positions, regardless of origin, race, or colour. Employee compensation in geocentric organisations is frequently based on global market pricing and standards. Individual contributions to the company, rather than nation of origin, are the sole determinants of pay and job considerations. It's vital to remember that any model adopted must strike a balance between utilising a developing country's enormous labour potential while also offering opportunity for skill development. A careful examination of the models listed above suggests that, in order for multinational firms to prosper in Nigeria, polycentric and geocentric staffing models need be used. They improve the likelihood of technological transfer. Again, the ideal option is for developing nations like Nigeria to establish standard regulations that will bind multinational firms' activities (Erunke&Kigbu, 2012; Mark &Nwaiwu, 2015).

2.3 Multinational Corporations' Impact on Nigeria

The struggle between companies and host nations has been the most ferocious in less developed economies. Individual critics and government officials have made vehement accusations against transnational firms' policies and their purported harmful implications for the host countries' economic well-being and progress (Gilberthorpe& Banks, 2012; Bowie, 2019). Despite the NigerianIndigenization initiative of the 1970s, multinationals' operations in the country have continued and exacerbated the country's underdevelopment in a variety of ways. Many Nigerians have expressed their dissatisfaction with the notion, claiming that multinational firms' development operations in Nigeria are more myth than reality (Jiboku, 2016; Ekhaton, 2018). The following is revealed as a result of their research:

i) Profit Repatriation: According to this report, the majority of earnings are not invested in Nigeria, but rather transferred to the home nations of multinational businesses for investment, leaving the country industrially undeveloped. These multinational corporations' royalties or stipends to the government are insufficient to support large-scale industrial projects. Similarly, multinational firms export cash to other countries that might have been utilised to build Nigeria. As a result, international firms distort Nigeria's economic progress by locating the money essential for development outside of Nigeria.

ii) Technological backwardness: Multinational firms are considered as the biggest offenders in this area; corporations pull off the greatest ruse possible. Multinational firms build a branch-plant economy of inefficient small-scale activity incapable of promoting overall growth while apparently assisting Nigeria's industrialization. Local subsidiaries function more as enclaves inside the host economy than as engines of self-sufficiency.

Intentionally and deceptively importing inferior technologies, these firms stifle indigenous technical growth. These multinational firms engage in capital-intensive manufacturing practices, resulting in employment losses. All of this stifles home electronics innovation. Nigeria has a range of different forms of technology disseminated throughout the nation prior to the advent of foreign firms, albeit on a limited scale. Corporations, rather than aiding them in their growth, are gradually undermining them by introducing more contemporary technologies.

iii) Structural Distortion: The Nigerian government's idea of industrialization in an open economy in respect to multinational businesses has allowed the firms the flexibility to pick their line of business, industry sites, and other production methods. The natural foundation of the firms is generally in the Nigerian society's metropolitan areas. The finishing and consumer products sectors are the most prevalent in these cities. This urban concentration of multinational firms altered society's structure by supporting unequal "local area development."

iv) Political Instability: Because these companies want a stable, pro-capitalist host government, they will go to great lengths to defend the current government if a conservative leader or party appears to gain power. Multinational businesses attempt to perpetuate the status quo, i.e., dependent development that encourages the formation of authoritarian regimes in the host country, by establishing coalitions of foreign and native capitalist elites. The engagement of the home governments of the firms in the internal affairs of emerging countries strengthens this exploitative partnership. As a result, foreign investment tends to link the host country to the metropolitan country from a political standpoint.

v) Degradation of our cultural legacy: The harmful impacts of multinational firms' existence and activity in Nigeria can also be felt in our valuable cultural legacy. Nigeria's cultural and social well-being are harmed by foreign direct investment. Multinational businesses' hegemony in Nigeria has been characterised as a sort of cultural imperialism in which Nigeria and the rest of the developing world lose control of their culture and social development. These multinationals destroy Nigerian society's traditional values and impose new ideas and tastes that are inappropriate for the Nigerian country through their advertising and marketing practices. Importation of violent and crime-oriented films and movies, as well as pornographic materials from foreign nations, is one example. As has been accurately pointed out, these alien values are not only unpleasant in and of themselves, but also destructive to the country's progress.

2.4 Multinational Corporations and Nigerian Skills Development

Some academics, such as Eluka, Ndubuisi-Okolo, and Anekwe (2016), believe that multinational businesses' engagement in technology 'transfer' (or technology sharing) improves human capital creation. In order to increase productivity, technology transfer is helped through training and skill development for affiliates and local subsidiaries. This is accomplished not only by bringing in new machinery, equipment, and expatriate management and specialists, but also by educating and empowering local employees at all levels. For a long time, this essential issue has lingered on (Emelifeonwu, J. C., &Valk, 2019). It is also of the belief that multinational corporations promote skill development by building training institutions for their personnel as well as associated organisations and their employees. From these viewpoints, multinational firms are considered as agents of transformation in the host communities where they operate (Khilji, Kakar, &Subhan2012; Orts,2019).

Multinational businesses, on the other hand, are viewed by some opponents as a collection of self-interested activities with a "irreversible" commitment to profit maximisation through the use of political, economic, and technological advantages, particularly in developing nations (Muhammad Faisal&Waleed, 2018). According to the study, multinational businesses are capitalist business actors because they wish to retain the capitalist precept of profit maximisation in their subsidiaries and are hence less concerned with skill development in a given host country. The global economic crises and associated unemployment situation which has been on the increase more than before makes for urgency in pursuing of better skills development agenda (Gilberthorpe& Banks, 2012). There is need for a new skills development pathway that will make for wider employment opportunities, stem the rising income inequalities and make for employment generation. Skills development continues to be a concern for developing countries, particularly in Africa, where financial resources are limited and technology is lacking. These countries must invest in skill development if they are to thrive and compete in the global economy (Wang& Chen, 2015). Arguably, it is against this backdrop that, developing countries particularly in Africa express strong desire for skills acquisition and development through the instrumentality of multinational corporations (Odia&Odia, 2013). Multinational firms are thought to bring valuable technological capabilities and financial resources, to be quick to seize new economic possibilities, to contribute to wealth creation, and to behave in conformity with international rules as key players in the global economy. However, the influence of multinational enterprises on the development of skills among the jobless goes beyond the organization's perspective, and it remains a cause of worry in light of our community's growing unemployment and insecurity, necessitating research and policy attention (Jiboku&Akpan, 2019).

2.5 The Challenge of Skills Development in Nigeria

Nigeria, recently declared Africa's biggest economy, is the most populous African country and is also well endowed with natural resources. These two types of endowments may have contributed to the country's status as Africa's largest economy, despite the fact that all other indicators of underdevelopment and infrastructure hurdles to economic investment and prosperity abound (Mark & Nwaiwu, 2015). Nigeria has a big young population that, if qualified and technically capable, might stimulate industrial output while simultaneously providing a large workforce for companies and the economy. The combined net effect of Nigeria's natural resources and growing population could have translated into the much needed economic development of the country through an increase in GDP and social stability. But without skills and needed technical knowhow, the country languishes on the margin of survival with poverty and associated vices impeding social and economic transformation (Odia & Odia, 2013; Olufemi, Solomon & Olugbenga, 2019).

2.6 Overview Skill Development by Multinational Corporations

The skills development programme of multinational corporations including Dangote Cement Gboko plant as follows:

i) Most companies use simulation as one of their skill training approaches. Its goal is to increase corporate productivity while also improving staff capabilities. According to Gary (2010), repetition with feedback facilitates simulation in training and skill development; it exposes trainees to unusual events in the company; It allows trainees to try out new ideas and develop a complete understanding of how related complicated working scenarios interact; it also allows trainees to be evaluated. A free play environment is included in the training technique, allowing trainees to obtain a thorough understanding of how a collection of work conditions interact to produce a certain product. Because a factory cannot be shut down for personnel to learn, simulation allows employees to practise with a replica of the equipment with which they operate.

ii) Company training school is another method of skill training adopted by the company. The concept of a training school arose from a gap between skills learned in Nigerian educational institutions and industrial skill requirements. While mergers, company ambitions, business methods, and the adoption of new technologies may all be blamed for the skills shortages. Employers often claim that the skills gap is a result of successive Nigerian administrations' failure to spend enough in education. Employers build on-site training schools to connect their employees' talents to the demands of their businesses, decreasing skill gaps and addressing skill mismatches so that output may be maintained and improved. As a result, corporation training schools assist in tailoring employees' abilities to the needs of the employing firm in order to assure the achievement of corporate objectives.

iii) Mentoring is another way for companies to increase their employees' abilities and capacity. It comprises an experienced employee mentor supporting a new or inexperienced employee in integrating theoretical knowledge and practical skills effectively and successfully in order to attain company goals. The procedure ensures that standards are met, and the employee absorbs the company's culture and ethos. According to Gary (2010), mentoring can occur over a lengthy period of time to allow the mentee to learn at their own pace and can address a wide range of workplace challenges. It is also intended to aid the employee's future professional and personal development. Furthermore, the mentor aided the employee in preparation for a position of greater responsibility inside the organisation.

iv) Coaching is another skill development programme. It's a strategy for those who already have some knowledge, abilities, and competence on the job to improve their performance. Rather than instructing or training students, the trainer acts as a coach, encouraging them to learn and guiding them to improve their skills. According to Gary (2010), skill development coaching is frequently for a short period of time and is used to teach specific abilities to address a specific problem that affects performance.

2.7 Theoretical Framework

2.7.1 Human Capital Theory

Human capital is defined as a person's knowledge and abilities gained through schooling, occupational training, or other forms of education. As a result, human capital refers to investments made in persons or in themselves in order to improve their creative potentials or abilities, empower themselves in the labour market, and increase productivity as a result (Frank & Bernanke, 2007). Human capital is embodied through training and capacity development investments in people (workers) for increased productivity. Human capital is defined as a set of attributes that determine the value of a worker's marginal output, such as education, experience, training, intelligence, energy, work habits, trustworthiness, and initiative, according to the notion. Human capital,

according to Frank and Bernanke (2007), is the pool of skills and knowledge linked to labor's potential to generate economic value. The knowledge, skills, abilities, and attributes that enable individuals to achieve personal, social, and economic well-being are defined in this statement. Human capital investment is therefore crucial to a country's economic prosperity. To put it another way, if all other variables remain constant, may have faster economic growth. The success of Dangote Cement as a result of its investment in human capital may have given new impetus to Nigeria's desire for skill development. The government has created skill development institutes to help the country's human capital improve. It may also have pushed the authorities to offer large incentives to multinational businesses to attract foreign direct investments, allowing them to capitalise on their skill edge. However, endogenous issues such as a lack of finance and the development of skill development organisations' competence, among others, continue to exacerbate Nigeria's skills crisis.

2.8 Empirical Review

Jiboku (2018) investigated multinational firms and skill development in Nigeria, focusing on Unilever Nigeria PLC. Unilever, Nigeria PLC's skills development programmes and initiatives were investigated in this study. The research used a qualitative approach, integrating primary data from interviews with secondary data from the literature. The Profit Pathology Hierarchy and the Human Capital Theory were used to establish its ideas. According to the report, Nigeria lacks a national institutional framework to link multinational skills development practises to the country's skill development goals, allowing multinational corporations to benefit a wider section of the people. Jiboku&Akpan (2019) undertake a research on the development of skills in Nigeria's multinational business sector. The study examines the discourse on multinational corporations and skills development and makes a case for the incorporation of multinational skills policies and strategies into the national skills development pathway, and vice versa, in line with the broader objectives of national human capital development. The study's central premise is that skill development must go beyond simply preparing people to be "useful" in the context of a company's industrial processes. It is based on interviews with managers and employees from a variety of international organisations, as well as government agencies involved in skill development in Nigeria. The research by Odunlami&Awolusi (2015) focuses on multinational firms and Nigerian economic development. The goal of the study is to see how much multinational firms have helped Nigeria's economic progress. Using academic publications, articles, and textbooks, the study assessed multinational firms' operations in relation to Nigeria's economic development, growth and development, technology transfers, and policy challenges. According to the exploratory literature, multinational corporations have contributed to Nigeria's economic development, but the extent of technology internalisation and transfers remains a mirage, and some multinational corporations continue to engage in unethical business practises that tarnish their and Nigeria's image.

Olufemi, Solomon, and Olubenga(2019) explore the availability of needed talents and the locational strategies of multinational corporations in Nigeria. Because skill mismatch has historically been a barrier to employment, this study looked into the impact of necessary skill availability (RSA) on multinational firms' locational strategies (LS). The study used a cross-sectional research approach and a random sample strategy to examine five multinational corporations in Nigeria. The statistical methods utilised were multiple regressions and a correlation analysis with SPSS. (RSA) exhibits a strong positive link with locational approach ($p=0.004$), according to the data. Other regulating elements that have been proven to have a major impact include trade facilitation, foreign ownership policy, and basic infrastructure availability.

III. Methodology

The goal of this study was to find contradictions between national skills development aspirations and skills development programmes within Nigerian multinational corporations. It uses the Dangote Cement Gboko factory as an example. This will allow the study to determine whether this company's skill development programmes are relevant to national aspirations beyond corporate objectives. The study's data was gathered through qualitative research methods. The qualitative research method seeks to explain a phenomenon through the eyes of the research participants. It is adaptable and allows for interactions with study participants. Primary and secondary sources of information were used to compile the data. Two discourse constituents provided primary data. (the Dangote Company and the host community), while secondary data was obtained from academic publications, articles, textbooks, and the company's annual report.

A review of relevant literature also provided useful information for this study. On the issue of skills development in the community, formal interviews were held with government policymakers. The Dangote Cement Gboko factory was chosen because it is the pioneer and a household name in Nigeria's cement manufacturing industry, with a long history of operations. On the other hand, the corporation is extremely important in terms of skill development and employment; it employs a huge workforce and attracts a large number of job seekers in its region of operation. Senior officials and host community leaders took part in the

interview, and their tasks included both skill development and maintaining peace and tranquilly in the organisation.

IV. DISCUSSION OF FINDINGS:

The interview responses obtained from the two discourse constituencies which are the Dangote Company and the host community. Both identified constituencies agreed on the significance of ensuring effective mechanisms for training and skills development programmes, such as applicable forempowerment, skills portability and occupational mobility, and technology transfer, among others, according to the study's findings (Odunlami&Awolusi, 2015). However, claims do not always correspond to reality, because there is a significant skills gap in Nigeria between local employees and multinational business expatriates. The constant presence of expatriate managers and technicians who work in this organisation exemplifies this divergence.

tranquilly and serenity, the study's main concern is that the extended operations of many multinational businesses in Nigeria have not resulted in the development of adequate local technicians and specialists, nor in a significant reduction in reliance on foreign technicians and professionals. To ensure that rising local entrepreneurs do not pose a market threat to the corporation, the few employees who have acquired the required skills are tactically 'caged,' economically held 'captive,' and kept within reach and control through subcontracting (Odunlami&Awolusi, 2015).

Furthermore, the company's talent distribution is balanced in order to sustain the economy's dominance. Dangote Company continues to extend its business despite the fact that it operates in nearly every state in Nigeria and neighbouring countries. This discovery also indicates to a deliberate effort to make these specific talents available to the majority of our youthful population in the areas where the corporation operates (Uduji, Okolo-Obasi&Asongu, 2019). The importance of aligning multinational corporations' skills development programmes with national skills development goals cannot be overstated. Professionals from the company should assist in ensuring compliance by companies with national objectives on the type of training and skills development that would be beneficial to the economy, as well as be broadly in line with national and host community objectives on skills development beyond corporate objectives, in order to ensure that the study's goal is met.

V. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Nigeria's economy has been boosted by multinational firms. Multinational corporations transfer technology both directly and indirectly to their foreign-owned subsidiaries and indigenous industries in host nations. They provide opportunities for skill development for our teeming youth, as well as job opportunities and an improvement in host-country living standards. The majority of host-nation residents who were recruited and taught by this corporation gained the knowledge and skills required to work for this company and start their own businesses. The presence of foreign direct investment in host countries has resulted in increased employment opportunities and financial and capital resources among the host community.

5.2 Recommendations.

i) Multinational firms should provide infrastructure and skill development facilities for the teeming youth in order to make life meaningful in the host country. In order to establish strong working relationships, the government and other stakeholders should ensure that multinational firms invest a portion of their revenues in the development of the host communities.

ii) Nigerian graduates are encouraged to continue honing their talents in order to become more employable by international firms, who require and seek only competitive skills.