

# Skills Development in the Multinational Corporate Sector: Building Employee Capacity Beyond the Factory Gate<sup>1</sup>

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## Abstract

*The dearth of skills for socio – economic transformation in Africa partly explains the drive by African countries to attract investments by multinational corporations (MNCs). The quest for skills has also been fuelled by the challenges posed by a fast globalising world economy. However, while the literature is replete with analyses of liberal policies and incentives offered to encourage investment by multinational corporations, little scholarly attention appears to have been paid to the need to incorporate MNC skills policies and programmes into the national skills agenda, and vice versa. Nigeria offers an example of how nearly a century of MNC operations has not resulted in any meaningful acquisition of strategic, as opposed to merely high level, skills by national employees. Skills disparities abound between local and expatriate employees within the same MNC operations. It is against this backdrop that this paper 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 paper's central argument is that skills development must go beyond empowering employees to be 'useful' only within the context of a given company's industrial operations. It is based on interviews conducted with managers and employees in selected multinational companies as well as with government agencies concerned with skills development in Nigeria.*

**Key Words:** *Skills development; skills protectionism; Multinational Corporations; Development discourse; Nigeria*

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1 An earlier version of this paper was presented at the International Labour and Employment Relations Association (ILERA) 17th World Congress – Cape Town 7 – 11 September 2015. Congress theme: 'The Changing World of Work: Implications for Labour and Employment Relations and Social Protection'. Track 3: Developments and trends in employment relations around the world, and impact of globalisation. Appreciation to the University of Fort Hare, South Africa

## Résumé

*La pénurie de compétences pour la transformation socio – économique en Afrique explique en partie la volonté des pays africains d'attirer les investissements des multinationales (EMN). La recherche de compétences a également été alimentée par les défis posés par une économie mondiale en pleine mondialisation. Cependant, bien que la littérature regorge d'analyses des politiques libérales et des incitations offertes pour encourager l'investissement par les sociétés multinationales, peu de chercheurs semblent avoir prêté attention à la nécessité d'incorporer les politiques et programmes de compétences des multinationales dans l'agenda national des compétences, et vice versa. Le Nigéria offre un exemple de la façon dont près d'un siècle d'opérations de multinationales n'a pas entraîné d'acquisition significative de compétences stratégiques, par opposition à de simples compétences de haut niveau, par des employés nationaux. Les disparités de compétences abondent entre les employés locaux et expatriés au sein des mêmes opérations MNC. C'est dans ce contexte que cet article examine le discours sur les sociétés multinationales et le développement des compétences et plaide pour l'incorporation des politiques et stratégies multinationales en matière de compétences dans la voie nationale de développement des compétences, et vice versa, conformément aux objectifs plus larges de développement du capital. L'argument central du document est que le développement des compétences doit aller au – delà de l'habilitation des employés à n'être «utiles» que dans le contexte des opérations industrielles d'une entreprise donnée. Il est basé sur des entretiens menés avec des managers et des employés de sociétés multinationales sélectionnées ainsi qu'avec des agences gouvernementales concernées par le développement des compétences au Nigeria.*

**Mots clés:** *développement des compétences; protectionnisme des compétences; Entreprises multi – nationales; Discours de développement; Nigeria*

## Introduction

The need for the development of skills has become prominent on the agenda of nations. This is more so in countries of the developing world where the skills discourse has been fueled, not only by the dire need to promote socio – economic development and transformation, but also, for these countries to meet the changing demands of the 21<sup>st</sup> century (ILO, 2008; Ejere, 2011; Ogunade, 2011; Khilji et al., 2012). There is a growing recognition of the impact of skills on economic growth as it is emphasised that skills are central to the progress and prosperity of nations and to better lives for individuals, particularly in the context of a fast globalising world economy, which is technology driven and knowledge – and information – based (see Toner, 2011; Khilji et al., 2012; Brewer, 2013).

Skills transform lives and it is an important driver of economies in the current technological age. Skills affect people's lives and the well – being of nations in ways that go far beyond what can be measured by labour market earnings and economic growth

(Ejere, 2011; Kapstein, 2002; Blomstrom and Koko, 2001). Skills also relate to civic and social behaviour as they affect democratic engagement and business relationships. Skills contribute to economic growth both directly, through increased productivity, and indirectly, by creating greater capacity of workers and firms to adopt new technologies and ways of working and to spur innovation (OECD, 2010; Martinez – Fernandez and Sharpe, 2010). Empirical evidence is consistent across a wide range of countries confirming that skills have a profound relationship with economic and social outcomes in different contexts and institutions (OECD, 2012:10 – 11). Conversely, however, Quintini (2011) found skills shortages and mismatches between the supply of and demand for skills as impediments to socio – economic transformation which tends to, lower potentials for growth and amounting to waste of important resources.

Despite the centrality of skills in the discourse on human capital formation and development (ILO, 2008), there is no consensus on how to go about skills development. In spite of strong desire of governments aimed at attracting multinationals – the custodians of vital skills, this lack of uniformity of opinion on strategy of skills development is a gap often exploited by these multinational corporations (MNCs). In essence, the lack of appropriate policy framework on how companies should develop skills appears to be exploited by different multinational corporations. The companies embark on training and skills development programmes that are only relevant to their profit agenda without considerations for the host environment and employees. However, agreement exist among scholars on the positive impact of skills on national economic growth and development, and thus the need at different levels for appropriate policies aimed at promoting skills development that would have sustainable bearings on the individual employee in host countries becomes imperative (see Khilji et al., 2012; Brewer, 2013).

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. The global economic crises and associated unemployment situation which has been on the increase more than before makes for urgency in pursuing better skills development agenda (OECD, 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.

The obvious reality concisely therefore, is that skill has become a very vital concept in development trajectory of 21<sup>st</sup> century economies that is technology and skills driven (Khilji et al., 2012; Brewer, 2013). But this vital “key” that unlocks the potentials in this 21<sup>st</sup> century could depreciate as the requirements of labour markets evolve; innovations emerge with technology change. Individuals could lose the skills acquired that they do not use and update through training (OECD, 2012). This suggests that for skills to retain their value, they must be continuously developed throughout life. Therefore, to get the best return on investment in skills requires the ability to assess the quality and quantity of the skills available in the population, forecast the future skills requirement in

the labour market, and to develop and use those skills effectively in better jobs that lead to better lives. It is essential to upgrade skills to meet emerging trends and requirements (Ogunade, 2011), and to determine what kinds of skills are relevant and needed at specific times and what strategies of skills development should be adopted towards achieving national economic growth and transformation.

For developing countries especially in Africa where financial resources are lacking and the technologies yet to be acquired, skills development remains a challenge that needs to be addressed if these countries are to survive and compete in the global world economy.

Arguably, it is against this backdrop that, developing countries particularly in Africa express strong desire for skills acquisition and development through the instrumentality of Foreign Direct Investment (FDI) and MNCs. In Nigeria, and other countries in the Sub – Saharan Africa, this is a widely espoused discourse that is also reflected in liberal policies, and incentives offered to attract MNCs. The belief is that multinational corporations bring scarce technological skills and financial resources, are quick to take advantage of new economic opportunities, contribute to wealth creation, operate based on international standards as they are key players in the global economy. (Navaretti and Venables, 2004:1). However, the impact of MNCs training and skills development of employee beyond their organisation remains an issue of concern in light of increasing unemployment that requires scholarly and policy attention.

Different studies such as Katseli, 2003; Navaretti, ana Venables, 2004 have attempted to examine the role of MNCs as key players not only in the economy of host countries but also in the global economy. Some scholars are of the view that human capital formation and skills development is enhanced through MNCs' involvement in training and skills development in their organisations. Technology transfer, the argument goes, is accompanied by training and skills development imparted to employees, affiliates and local subsidiaries for greater productivity. This is not just through the introduction of new machinery, equipment, expatriate managers, professionals and technicians but also through the training and empowerment of local employees at different levels (Blomstrom and Kokko, 2001:9). A relatively long – held view is that MNCs promote skills development through the establishment of training institutions for their personnel and for the benefit of allied organisations and their employees (see Agbodike, 1998: 168). These positive contributions have made a number of scholars to regard MNCs as agents of socio – economic change in developing countries (Page, 1994:180; Spero and Hart, 1997).

On the other side to the argument, are scholars who view skills development and a whole range of other activities of MNCs as a form of neo – colonialism. This has led to calls on governments to regulate the activities of MNC subsidiaries in their territories as a way of curbing 'negative' activities (Prasad et al., 2008; Erunke and Kigbu, 2012). Some scholars suspect that these companies are not necessarily concerned with 'real' socio – economic transformation of the host country, but are driven by the desire for

profit, even if by exploiting institutional and policy weaknesses in the host country (see Kapstein, 2002; Stiglitz, 2002; Bakan, 2004). MNCs are big organisations and some have investments that are higher than the Gross Domestic Product (GDP) of many developing countries, especially in sub – Saharan Africa (Stiglitz, 2007:17).

With this development, how could the vital skills and technological know – how anticipated to accrue from MNCs to assist in the socio – economic transformation of host countries be readily available? Scholars emphasise, for instance, that skills development for the transformation of society must incorporate technology and be geared towards the empowerment of people, reducing inequalities, alleviating poverty and promoting economic growth.

Based on these divergent and seemingly contradictory arguments, this paper examines the discourse and practice of skills development in the MNC sector. With its focus on the skills development programmes and strategies of selected multinational enterprises in Nigeria, the paper aims at highlighting the relevance of their skills development programmes and strategies to employment opportunities beyond individual enterprise and industry. The paper also seeks to ascertain whether the MNCs' training and skills development programmes being implemented in Nigeria, have wider societal economic application and relevance or otherwise.

## **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 categories of endowments may, perhaps, have contributed to the reasons why the country is regarded as Africa's biggest economy as all other indices of underdevelopment and infrastructural challenges to economic investment and prosperity abound. Nigeria has a population of 162.5 million people in 2011 (World Development Report, 2013), which ideally could trigger industrial production and also provide a large workforce for industries and economy, if the large population were skilled and technically competent. 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.

With reference to the Human Capital Development Index, which measures the average achievement of a country in terms of the welfare and quality of life of the people, Nigeria still lags far behind in economic and social progress required to impact the well – being of the average Nigerian. For instance, the 2013 United Nations Development Programme Human Development Index Report ranked Nigeria at 153<sup>rd</sup> out of 186

countries surveyed. Over half of Nigeria's population still live below the poverty line (less than one dollar a day) and the economy has remained off track in achieving the Millennium Development Goals (Ajibola, 2013).

Some analysts have identified that national industrial skills development is of the utmost importance to Nigeria's quest for industrial development (Ogundele and Abiola, 2012). It is worrisome that for several years, inadequate skilled manpower has remained a perennial problem in many sectors, notwithstanding Nigeria's wealth, and the huge investments made in infrastructure and to facilitate economic development. This national concern has raised calls from industry watchers for Nigeria to move quickly and evolve strategies that could transform the large population into advantage through appropriate skills development, provision of apprenticeship skills development for youths, and through developing a highly skilled entrepreneurial workforce. It is argued that this would go a long way in reducing youth restiveness and associated vices through the provision of gainful and self – employable skills (Ogundele and Abiola, 2012).

Nevertheless, developing skills in Nigeria has been an issue on the front burner of various governments since independence from Britain in 1960. This is reflected in the country's four different and consistent development plans: 1962 – 1968, 1970 – 1974, 1975 – 1980 and 1980 – 1985. The first plan led specifically to the establishment of the National Universities Commission (NUC) and the National Manpower Board (NMB) in 1962. These were to act as think tanks for government in the area of developing relevant skills for national development. Other institutions have also been established for training of manpower for different sectors of the economy.

The desire for skills development has also propelled the government to look outwards for FDI through MNCs. The government is conscious of the potential contributions of FDI to economic development as FDI is now widely recognised due to declining concessional aid to developing countries (Muogbo and Kayar, 2012:1). FDI through MNCs potentially boosts the growth of a country by crowding in other investments with an overall increase in total investments, as well as hopefully creating positive 'spill – over effects' from the transfer of technology, knowledge and skills to domestic firms (Dulupçu and Demirel, 2009). It can also stimulate economic growth by spurring competition, innovation and improvements to a country's productivity. The indirect impacts of FDI through MNCs on the domestic economy, particularly in the area of developing local skills, are the main reasons for the intense political focus on MNCs in Nigeria and this may well account for the high levels of public subsidies, and promotional activities to attract investors, especially after the return to democracy rule in 1999. Among the incentives are tax holidays, tariff protection, accelerated depreciation allowances and import duty relief for imported inputs (Aniekan, 2011:182).

These programmes and incentives notwithstanding, skills shortages are still very visible in Nigeria. This is reflected in part in high number of expatriate employees in the various MNCs. Indeed, it would seem that local technologies are yet to be developed

and the relevant technologies are yet to be “transferred” to locals despite the policy and institutional frameworks put in place to achieve this. In view of the relatively long history multinational corporate participation in the Nigerian economy, a few questions can be posed. One what types of skills do MNCs impart? What factors inform skills development programmes in the sector, and to what extent are such factors in line with national human capital development objectives? Since the Nigerian government has signed Memoranda of Understanding as well as bilateral and multilateral agreements with certain countries, to what extent have multinational businesses operating in the country assisted it in deriving maximum benefits from such agreements, at least from the human capital development and technology “transfer” points of view. These are some of the questions that this paper reflects on.

### **Skills protectionism: a theoretical statement**

The protectionist theory explains the underpinnings of the contentions surrounding multinational corporations and the whole gamut of their operations in the developing countries. It is a theory that explains safeguards and protection often sort by multinational corporations for business advantages that are more often than not detrimental to the economy of host countries. The World Trade Organization (WTO) and other developed member countries have identified aspects of the Trade – Related Investment Measures (TRIM) a strategy of protectionism which are considered inadequate for the economies of developing countries and have advocated for liberalisation. While an approach by WTO has global applicability, Japan one of the world leading economies and some emerging economies emphasised the use of regional arrangements as alternative measures of protection and control. The argument of this group is that regions are better equipped than multilateral or global institutions to ensure safeguards and protection (Latif, 2011).

Regionalisation of TRIM requires governments within regions to make binding commitments rather than relying on global multilateral ideas of TRIM (Chase, 2004:1). It is argued that regional arrangements take care of regional peculiarities and exigencies. TRIM is a political economic agenda that is rooted in tariffs and other border barriers, despite the existence of individual nation’s industrial policies upon which it infringes (Guisinger, 1986:86). Guisinger further emphasises the intricacies of TRIMs: that they are behind the curtains agreements and are confidential between foreign investors and host governments, and that such arrangements secretly entered by governments are not for public knowledge. The secrecy surrounding such agreements that seeks to protect MNCs is a clear indicator that it would be negatively inclined and detrimental to the socio – economic environment of developing countries, the havens of multinational operations. Greenaway (1992:145) further stresses that protectionist agreements are

designed to manipulate the environmental conditions in favour of foreign investors, after all, the MNCs were enticed to come and invest in the developing host countries. It is in light of this argument that this paper situates the difficulty for the government to compel multinational corporations to train and develop skills in a particular pattern and focus.

The immigration law in Nigeria for instance, requires an expatriate to have two local employees as attachés to enable them learn from the expatriate within the period of five years of the permit. Not only that, the Ministry of Labour and productivity monitors industrial and labour aspects of multinational operations. Yet, skills gaps still exist between local and expatriate staff within the same company as well as within industry. All these critical questions are within the precinct of the protectionist theory as they are not subject to public scrutiny. In essence, the protectionist theory as a theoretical lens for this paper, sheds light on 'why' and 'how' MNCs in Nigeria, despite long years of operations and massive annual profit declarations, continue to make use of expatriate skills. MNCs ensure that the trainings and their skills development programmes, more often than not are production specific, company and industry centred, to ensure that their production techniques is not diffused in order to maintain their competitive edge within the economy of host country.

## Methodology

This paper is based on a longer study that examined the training and skills development programmes and strategies in the Nigerian multinational corporate sector. The study enables the paper to reflect on the question of whether the MNCs' skills development programmes are relevant to the employees beyond the industrial specialisations of their employing organisations. The empirical data used in the paper were, in the main, obtained using a qualitative research methodology and were collected over a five – month period (February and June, 2013).

Primary data were collected by means of key informant interviews and in – depth semi – structured interviews. A review of the relevant literature also provided useful secondary data. Five Key informant interviews were held with relevant officials in the Lagos office of the Federal Ministry of Labour and Productivity, and Centre for Management Development. The key informants provided information on the national government's skills development agenda.

A further 19 interviews were held with a purposive sample of shop stewards union members in the selected multinational companies.

The three multinational companies that served as case studies were purposively selected, in part because they are household names in Nigeria. Lafarge Cement Wapco Plc is a leading cement producer, Unilever Nigeria Plc has been a leading producer and marketer

of household care products since the colonial times (although the company has had a number of name changes through the years), while MTN Nigeria is the pioneer and biggest mobile telecommunication network in Nigeria. Besides, each of the companies has a large labour force and remains very attractive to job seekers. Research participants in these organisations, apart from the union members, were senior officials whose responsibilities were central to skills development and utilisation within the companies.

For the purposes of this paper, the skills development establishments, the multinational companies, and organised labour constitute different, and in some ways, distinct “discourse constituencies” vis-à-vis skills development and human capital formation. The Federal Ministry of Labour and Productivity and the Centre for Management Development are vital agencies through which skills development programmes and strategies in Nigeria are articulated. They serve as a platform for the enactment of the policy framework within which the other discourse constituencies operate, or are expected to operate. In other words, the environment created helps the multinational companies to do business, while organised labour provides the manpower to make these organisations function. It should be noted that the multinational corporate sector is only a subset of the broader organized private sector in the country.

Interviews conducted in the national skills agencies were aimed at ascertaining their involvement, if any, in multinationals’ skills development programmes. Overall, the point was to ascertain how the dominant human capital discourses in the different “constituencies” intersect with the trainings and skills development programmes of the MNCs in Nigeria. As shown below, the data analysis focused on a number of important themes, such as: skills for empowerment; skills for employment and job mobility (portability of skills); skills for entrepreneurship, and skills for lifelong usage.

## **Findings**

The findings of this study revealed a number of nuances on the central issue of discourse – that is, developing employees’ skills beyond enterprise level. The findings are presented under three broad themes; namely: skills development beyond enterprise – responses from the state policy making establishments; skills development beyond the enterprise – responses from the MNCs; and skills protectionism – perceptions and experiences.

## Skills development beyond enterprise – the state policy establishments

Through legislative and policy instruments, the government exercises its responsibility of creating an enabling environment for skills development. In the case of Nigeria, this task is undertaken by specific institutions (Ejere, 2011; Umo, 1996). In addition, the government has established a number of training and skills development institutions. The main oversight body for the various initiatives is the Federal Ministry of Labour and Productivity, headquartered in Abuja. According to a senior official of the Ministry:

Government has been encouraging the multinational corporations to set up training schools for their employees to acquire relevant skills for their organisations and allied industry. Officials of the ministry go round such training centres run by multinational corporations for inculcation of specific soft skills relevant to their organisations and allied companies to ensure standardisation of their training programmes.

This response demonstrates the commitment and determination of government to ensure that employees are exposed to skills development programmes that would empower MNC employees beyond the industrial confines of a given MNC. The same official of government stated further that:

The various Industrial Skills Centres being operated by the parastatals under different ministries provides *holistic training* to the trainees. Besides specific vocational and technical skills that make them professionals, towards the end of their programmes they are usually exposed to *management and entrepreneurial skills* which will help facilitate adaptation of their technical skills. It will also facilitate self – employment (emphasis added).

It is evident here again that this discourse constituency emphasises ‘holistic training’ and skills that will allow for self – employment. This ensures that in the face of economic downturn or in the event of labour redundancy, an employee can opt for self – employment. As a director in the ministry noted:

The ministry plays a supervisory role while employers recruit employees. They are mandated to train those recruited. The ministry ensures standardisation of the training and skills acquisition programmes provided by companies. And after the completion of various training programmes, the trained employees are encouraged to come to the Ministry for practical examination to enable them acquire Trade Test Certificate with which they can access employment within the economy and/or make career progression through subsequent higher certifications.

After acquiring the necessary trainings and skills programmes, employees could go to the ministry for evaluation and certification of their competencies to enable them access job opportunities beyond the environment of their trainings. It should be noted that such certification confers recognition and wider choices on the trained individuals, especially those that do not have secondary school qualification.

The senior official of the Federal Ministry of Employment and Productivity also stressed that the government attached high importance to vocational education as a means of developing the skills through the establishment of skills acquisition centres in different parts of the country. The fact was equally alluded to by an official of the Centre for Management Development (CMD), which serves as a government skills think – tank:

the consultancy activities of CMD sometimes leads to identification of skills gaps which is very common in developing countries and when this happens, the Centre designs training programmes to address the identified skills gaps.

Wider employment opportunities are also facilitated with certification of training and competency. The certificate holder becomes a beacon, especially in the developing world. The importance of certification for wider employment opportunities makes it an important issue in human capital formation in Nigeria. A senior official of the Federal Ministry of Employment and Productivity noted:

This department is into skills development and certification for the whole country. Actually, there are industrial skills training workshops all over the country. Besides this, my department sets out to give the minimum skill required by the economy to these participants who come for Trade Test Certificate. We issue certificates in Trade Tests Three, Two, and One. Three is the lowest while One is the highest for technicians.

The discourse on government's initiatives places a special focus on government's interest in training and empowering the unskilled, who are more vulnerable to exploitation. Such individuals, through training and certification provided by the government establishments, also have their employment chances broadened. In essence, government not only sets the platform through legislation but is also involved directly in setting examples through the establishment of skills acquisition centres and evaluation of trainees for certification purpose.

The question now is: to what extent do the skills development strategies in the multinational corporate sector reflect government's interest in pursuing "holistic training" that empowers people for today's employment as well as for future uncertainties and vulnerabilities. The data on this are presented and discussed next.

## **Skills development beyond the factory gate: Lessons from the multinational corporate sector**

In the Nigerian multinational corporate sector, the findings revealed the extent to which the training and skills development programmes of the selected multinational companies align with the discourse on skills development beyond the enterprise. In essence, the findings revealed to what extent the companies' training objectives and programmes help in realising the goals of human capital formation at the national level.

A manager with the Lafarge Cement Wapco noted:

What we have going for us is the fact that we are a multinational while [some of the companies in the completion are not. So, we are really not competing that much; they rather look for trained employees from us. Some of our staff as well do go to Cadbury, they are going to Nestlé, you know, and they are taking people in. We have people going to Chevron, we have people going to Shell, and we are taking people from everywhere relevant to us as well. That's why I said, it's a healthy competition.

The above response shows that for the employees of Lafarge, there is a future beyond the cement industry where they currently work. Skills gained in the cement industry are transferrable to other industries. The above response is corroborated by a manager with Unilever Nigeria PLC, who stated:

Unilever has a long history of success in Nigeria. So many new companies in the home care sector have employees who have worked here. In fact, they know that these employees are competent with the work. And hardly will you find an employee of Unilever not doing anything outside. In the Nigerian home care product environment, Unilever is actually called a training school.

The situation is not dissimilar with what obtains in MTN Nigeria. As one manager remarked:

The telecommunication sector is a very big market with so many competitors and MTN is the pioneer; the effect of it is that many of the competitors try to get some of our employees. These employees already know the job and would not need further training to perform. Because of the movement here and there, we recruit regularly and conduct trainings for them, especially at the customer care level.

The multinational corporate sector claimed enormous involvement and credit for training employees and making them “marketable” within the Nigerian economy. A manager in Lafarge Cement Wapco noted: Here in Lafarge, our workers are multi – skilled as they work in different sections of the factory and that is how uninterrupted production is ensured. And beyond the company, some of these skills could be put into practice at micro level. An electrical technician can still work in small scale organisations as a consultant or set up his own technical services. Indeed knowledge acquired from the training school is very relevant beyond Lafarge.

The issue of empowerment was echoed by a manager in Unilever, who stated:

In the Nigerian environment, Unilever is called a “training school” because of the high number of people that have passed through the company to allied companies. For example, I know of a man that worked here before and he had to leave; but I don’t know the circumstance of his leaving the company. He started his own small manufacturing company and he produces some of our products for us. So, we contracted part of our own arm of production to him; he produces some of our own products that we don’t have. So, for example, if we can’t meet market demand, we contract him to supplement. Apart from that, the skills acquired in Unilever, as I have given you an example, if put together by an individual, you can actually stand on your own and become an entrepreneur. You work in the factory and you know the process of soap making and all. You can work on your own. You can be a small scale manufacturer which many are doing.

An MTN manager indicated the type of empowerment which the company has brought to the country generally:

Quite a number of people who have worked in the company, having obtained knowledge and skills about the workings of the company have left to start their own businesses of being service providers to end user. They operate as individual outlets of MTN especially in the marketing of MTN products and services. That is why we have the slogan “everywhere you go”. We have empowered people directly and indirectly throughout the nook and crannies of Nigeria, generating income and providing jobs.

The above position is not very different from what obtains in Lafarge, as expressed by a manager:

In this company, as an official in human resource management department, anytime, personally I have the opportunity of attending these kind of training programmes, may be to declare the training open or to close the training session, I use to tell them (trainees), you know, the worst thing that Human Resources can do or the company can do when you are leaving the company is to say leave the company's properties in your possession. Okay, like we disengaged some people last week. Some of them, they will be bringing their helmets, the company property, the Employees Handbook and the rest. These are the things that the company can take from you. But the knowledge you have acquired, nobody can say, when you are leaving the gate, drop the knowledge at the gate, no, it is not possible. So, whatever training the person has opportunity of acquiring here, he or she is going to be the first beneficiary of the training.

The evidence from Lafarge on lifelong learning is echoes the information obtained from a manager at Unilever:

Working in this company (Unilever) is an experience of a lifetime. Unilever employees cannot be outside without being engaged. Some employees that have left us are contracted as consultants; others consult for other small scale businesses while some start their own businesses. This stems from the fact that they know how some of these products are manufactured especially those that are less capital intensive.

From the responses of the various interviewees, the three MNCs covered by this study all indicated that their skills development programmes are relevant to the life of the employees beyond their enterprises. The employees could work in other establishments, some could establish small scale industries, act as consultants, or set up technical services as the case may be.

In addition, it could as well be seen that from the key informant and in – depth interviews conducted in the two skills development and utilisation constituencies, the interviewees expressed commitment to training and skills development beyond the enterprise.

Given the above scenario, the questions to ask are: why does unemployment and joblessness almost always result from the restructuring of companies? In the phase of unfavourable employment conditions and untoward labour practices, why do people try to remain on their jobs rather than look for other jobs or opt out for self – employment?

The study revealed some intricacies in multinational operations encapsulated in protectionist theory that curtail employment opportunities, but which are, nonetheless, advantageous to the employers. The responses from union members in the selected organisations indicated a degree of skills protectionism might be in subtle operation in the companies.

## **Skills protectionism: perceptions and experience**

As noted above, the interview responses from officials of the selected state institutions and the multinational corporations all showed that in both discourse constituencies, developing the skills of employees beyond their employing enterprises and industry was not simply an epithet but a policy that was being actively and robustly implemented. However, the study found that some strategies of skills utilisation for industrial sustenance being implemented are tantamount to protectionism of *critical skills* despite the fact that some *high level skills* were being developed and nurtured among the local employees. The distinction between “critical skills” and “high level skills”, therefore deserve a closer examination, as the concept of skills seems to apply more to “critical skills”, as demonstrated below.

The study found that the three companies make use of expatriate staff, who, by law, are allowed to stay in the country for a maximum period of ten years. During this period, they are expected to have trained at least two sets of attachés within their two contract periods. However, the expatriates do not usually exhaust the allowed period before their relocation, thus paving way for expatriate positions to be maintained as they are often replaced. Although the expatriates are few, nonetheless, they occupy the most vital positions in the company, utilising what could be termed “critical skills”.

In the specific case of Lafarge, the study found the extensive use of what in the company are known as “Coaches” in different units and departments of the company. These Coaches are the corporate equivalent of a “strike force” who are resident outside Nigeria, and who only come into the country as occasion demands for specific assignments of not more than six months. In essence, the Coaches possess essential skills that are, by design, not planned to be in Nigeria, as a tactical measure of protecting the critical skills.

Not all the companies utilise “Coaches” stationed outside Nigeria, as skills protectionism takes different forms within the multinational corporate sector, at least from the evidence gathered in the three companies studied. For example, MTN maintains a consortium of expatriates stationed within the country that comprises a high proportion of foreign expatriate staff. This syndicate represents the company’s “defence force” for protection and sustaining the critical technical aspects of the company.

At Unilever, while expatriates are in control of key positions, such expatriates have become part of what a manger referred to as the “Unilever family”. The expatriates appoint

“consultants” to oversee specific aspects of company operations as occasions demand. In addition, Unilever’s engagement of retired staff as consultants to the company amounts to keeping such “old hands” who are embodiments of critical skills and knowledge. In other words, the “secret” of the company’s productive advantage is very carefully protected. Yet, this strategy can be interpreted as an attempt to curtail the diffusion of critical knowledge and skills acquired by these retired employees over the years.

Officials of Nigeria’s labour federations, the Nigerian Labour Congress (NLC) and Trade Union Congress (TUC), agreed during interviews that multinationals were concerned about profit. An official of NLC noted that: “They (MNCs) will only develop skills to the extent that it will facilitate the realisation of their business objective”. For this respondent, any skill development programme embarked upon by a multinational business is for its own purpose.

This view was echoed by a senior official of the TUC, who argued that: Multinational corporations only come with the technology needed for production in an area of operation to execute a business for which they teach the indigenous people just a minute part. Would they be interested in you knowing it, so as to compete with them? So they train you only to the extent that they want you to know.

Labour officials did not hide their perceptions of multinational protectionist strategy as stated above. An NLC official further pointed out the reasons why the expatriate quota regime was being abused in Nigeria:

The issue of Expatriate quota as an avenue of developing skills is a good idea but in reality in Nigeria, it exists only in the books. There is no serious backup by the government and so the various companies are simply implementing it as it soothes them. The monitoring to ensure compliance is weak such that the Nigerian workers and the country are not deriving maximum advantage. In short, Nigeria is short – changed due to weak institutional monitoring.

In sum, the discourse in the labour constituency revealed an interesting angle to the skills development debate: while skills development was emphasised and embraced by all the constituencies, at least superficially, MNCs was serious about its realisation only when skills development culminated in an increase in profits for their organisations. The reality is that, while trying to align with the popular discourse of developing skills beyond enterprise, MNCs engage in activities that ensure their profit advantage. The distinction between critical skills and high – level skills (which many Nigerian staff have acquired in the course of the employment within the multinational corporate sector) appears to be actively pursued by MNCs.

## Discussion and conclusion

The interviewees from the two primary discourse constituencies – state and the multinational corporate sector – claimed a commitment to national skills development. The findings showed that both constituencies have in place mechanisms for ensuring that their training and skills development programmes are relevant to empowerment, skills portability and lifelong usage, among others. However, claims are not always the same thing as reality, as there exists in Nigeria a glaring skills disjuncture between local employees and expatriate employees of multinational companies. The issue of concern is that the long periods of the operations of many multinational corporations have not resulted in the development of sufficient local technicians and specialists, nor has it resulted in a significantly reduced reliance on expatriate technicians and professionals.

Further, the organised labour revealed that state institutions that have the responsibility of monitoring MNCs are weak and therefore ineffective. The resultant effect is that lack of effective institutions gives room for the MNCs to train and develop skills of employees as they deem fit irrespective of agreements signed with governments of host countries that often emphasise training and empowerment of locals and host environment. This culminates in skills gaps and skills shortages that still abound despite over half a century of the operations of these companies in Nigeria, thus creating avenues for many expatriate professionals and technicians to come into the country.

All these speak of the deliberate and tactical attempts by MNCs to protect investments and skills considered “strategic” from the employees and thereby subtly limiting their employment opportunities. The government has not been able to reverse this trend over the years as Chase (2004) asserted that, aspects of multinational protection often obtained from government in developing countries generally are neither published nor publicly known. In essence, they are confidential agreements that tend to limit the trainings imparted on the employees and thereby unwittingly restricting the application of their skills and technical knowhow within the economy.

It is against this protectionist strategy by MNCs that this paper therefore recommends the aligning of multinational companies’ skills development programmes with national objectives on training and skills development. When this is realised, such that MNCs trainings and skills development mirrors reciprocally national discourses on skills development, a synergy would have been achieved in skills development aspirations in Nigeria. With this, the relevant board of technical and vocational education in Nigeria will monitor the training of employees. Such extant establishments staffed by professionals will help in ensuring compliance by the MNCs with national objectives on the type of training and skills development to the advantage of the economy broadly, beyond enterprise.

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