

# Training/Development and Survival of Small Businesses in Port Harcourt

Akpuruku Banton & Enyia Charles Daniel

## Abstract:

This study empirically examined the extent to which training and development creates business success among small businesses in Port Harcourt. 60 small formal and informal businesses were randomly selected in order to achieve full representation. Our findings showed that small business success can be related to factors such as training and development. The result of our partial correlation also showed that technology significantly moderates the relationship between training/development and business success. The study therefore recommends conscious effort by potential enterprises to train and re-train themselves before venturing into any form of business because having good knowledge on the business is also a sign of future success.



IJSB

Accepted 30 August 2018  
Published 30 September 2018  
DOI: 10.5281/zenodo.1439140

**Keywords:** Training, development, success, business, entrepreneur

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## Introduction

The origin of small businesses can be traced to ancient days when exchange was made for goods and services. Today, there is a conscious effort by individuals and groups to acquire skills earn them a living (Babchuk& Fried, 2003). Today, the contribution of SMEs towards national development can never be over-emphasized as it has become the pillar of even the world's strongest economies. In view of this, it is very necessary that entrepreneurs who want to satisfy specific customer need at a profit should have a good knowledge of what is to be done. Training contributes to the knowledge of the business owner, he becomes more aware of how to carry out his business functions efficiently and effectively (Audretsch& Mahmood, 1995). Just as training is important, there is a need for development of skills learn in form of constant practice which would add more experience to such business owner. For this study, technology would be considered as a moderating variable because there is need to carry out business in such a way that things are done in the best possible way and with the best kind of tool

## Statement of the Problem

The need to acquire training before entering into various businesses has been of great concern to managers, scholars and entrepreneurs alike, with the increasing rate of businesses failure in Nigeria. According to vanguard (2017), the rate at which small businesses collapse is really alarming because most business owners lack the required technical and conceptual competence to carry out their business functions. Similarly, Kennedy (2009) has empirically examined the level of rush at which some entrepreneurs venture into certain technically oriented businesses and they most often rush out because they do not have the bigger view of how to remain in the market. So many people in PortHarcourt do not have the orientation of starting up businesses that would out-live them, they would rather start op businesses that would live for a specific period of months/years after which nothing is heard anymore. With the rate of recession in Nigeria, there is always an excuse of funding whenever the issue of training is raised. So many people believe that it is the sole responsibility of government to give citizens all they require to survive in a dynamic and complex environment. The government may sometimes provide training through empowerment programs, it is however the duty of individuals to ensure that development takes place after they have been trained. This can be achieved through constant practice of what is learnt. This study would empirically examine the extent to which business success can emerge as a result of conscious training and development of small business owners in Port Harcourt.

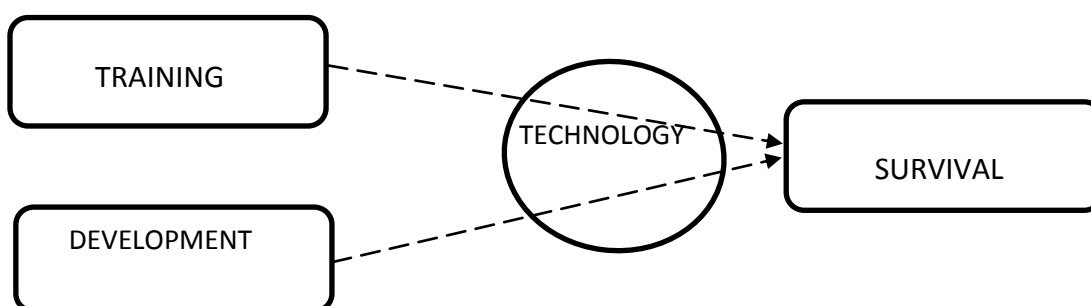


Fig. 1 Operational framework

### **Aims and Objectives of the Study**

The central aim of the study is to determine the influence of training/development on survival of small businesses in Port Harcourt. The specific objectives however, are

- i. To ascertain if there exists any relationship between training and survival of small businesses in Port Harcourt.
- ii. To ascertain if there exists any relationship between development and survival of small businesses in Port Harcourt.
- iii. To examine if technology moderates the relationship between training/development and survival of small businesses in Port Harcourt.

### **Research Questions**

Based upon a result driven research objective; this study is guided by the following research questions:

- i. What is the relationship between training and survival of small businesses in Port Harcourt?
- ii. What is the relationship between development and survival of small businesses in Port Harcourt?
- iii. Does technology moderate the relationship between training/development and survival of small businesses in Port Harcourt?

### **Research Hypotheses for the Study**

**Ho<sub>1</sub>:** There is no significant relationship between training and survival of small businesses in Port Harcourt.

**Ho<sub>2</sub>:** There is no significant relationship between development and survival of small businesses in Port Harcourt.

**Ho<sub>3</sub>:** Technology does not significantly moderate the relationship between training/development and survival of small businesses in Port Harcourt.

### **Theoretical Framework**

#### **The Social Cognitive Career Theory (SCCT)**

Cognitive career theory as postulated by Lent, Brown and Hackett (1994) is of the opinion that there are cognitive-person variable which motivates an individual towards developing his/her career. They also introduced another factor known as extra-person or contextual variable which could either enhance or limit such individual's desire. This theory is useful when studying elements such as training and development amongst entrepreneurs. This is because training and development are cognitive person variables which gives motivational drive towards seeking new skills. In this study also, technology is considered a contextual variable which can also be regarded as an extra-person variable because it is external to the entrepreneur. Thus, they must shape their cognitive-person variables to meet the external requirement.

#### **Training**

According to Erasmus, Van Wyt and Schenk (2000), training can be defined as a process whereby individuals or groups acquires new knowledge or seek to update an existing knowledge. Most often, government provide training programs for youths and women who are unemployed so that they could acquire in areas such as agriculture, welding, Computer application, etc. these are done with the aim of engaging their minds towards being useful to

the society. Some individuals also go for training without the support of government. This is because they have a target/goal and they must acquire the necessary skills in order to perform optimally.

### **Development**

Foong-ming (2008) defines career development as that action which involves an organized, formalized, planned effort to achieve a balance between an individual's career needs and the organizations workforce requirements. After the training skills have been acquired, there is a need to ensure that such skills learnt are developed and this could be in form of practicing what one has learnt often. Just like it is said, practice make perfect (Mcnamara, 2000). This perfection is what we would refer to development because when one consciously undertakes an endeavor consistently, he gathers wealth of experience through his own successes, mistakes, as well as the mistakes of others. Most times, the term training is confused with the term development but there is a distinction between the two of them. Therefore, acquiring the skill is not just enough but ensuring that the skill learnt is developed to a competitive level often attracts business success.

### **Technology**

Technology means a way of doing things better (Audretsch, 1995). Today, small businesses are highly competitive in nature and so many have seen the need to focus on consumer satisfaction. The use of ICT in doing business have made it very easy for firms to reach out to customers and partners from all over the world. It is believed that the internet is a gateway to business growth, development and long term sustainability.

### **Survival of Small Businesses**

Success can be seen as a positive end point of every endeavor. The success of small businesses can come in form of increased sales/patronage, increased popularity, increased partners, etc. there are many measures used by many small businesses to ascertain their level of success and what constitutes success for one business may not represent success for the other business. The empirically observed positive relationship between training/development and the likelihood of survival can be interpreted theoretically within the framework of the contribution that can be characterized as technological information is gathered to foster SME growth (Fowler, 1990). Consequently, efficient small businesses survive and experience growth through effective training and development. In essence, the longer a firm has been in the market the more knowledge it has about its own training and development abilities which fosters the probability of survival (Doms, Dunne and Roberts, 1995).

### **Research Methodology**

This study adopts a quasi-experimental research design because the elements that was studied are humans who acted in their live state. The population comprise of 60 randomly selected formal and informal small businesses registered in Port Harcourt. Because of the need for adequate representation, no sampling was done since most of the small business owners were the ones operating the business. Spearman rank order correlation coefficient was used in testing our hypotheses one and two while partial correlation was used in testing for the moderating effect between our predictor variables (training /development) and our criterion variable (survival).

## Data Analysis and Findings

**Ho<sub>1</sub>:** There is no significant relationship between training and survival of small businesses in Port Harcourt.

**Correlations**

			TRAINING	SURVIVAL
Spearman's rho	TRAINING	Correlation Coefficient	1.000	.330*
		Sig. (2-tailed)	.	.010
		N	60	60
	SURVIVAL	Correlation Coefficient	.330*	1.000
		Sig. (2-tailed)	.010	.
		N	60	60

\*. Correlation is significant at the 0.05 level (2-tailed).

Our first hypothesis shows a significant relationship existing between training and survival of small businesses in Port Harcourt with a correlation coefficient of 0.330 and a p-value of 0.10 which is less than alpha level of 0.05. We would therefore reject the null hypothesis. This means that entrepreneurs who spend time to acquire the much needed training before they venture into their area of specialization would achieve more success.

**Ho<sub>2</sub>:** There is no significant relationship between development and survival of small businesses in Port Harcourt.

**Correlations**

			DEVELOPMENT	SURVIVAL
Spearman's rho	DEVELOPMENT	Correlation Coefficient	1.000	.327*
		Sig. (2-tailed)	.	.011
		N	60	60
	SURVIVAL	Correlation Coefficient	.327*	1.000
		Sig. (2-tailed)	.011	.
		N	60	60

\*. Correlation is significant at the 0.05 level (2-tailed).

Our second hypothesis also reveals a significant correlation coefficient of 0.327 and a p-value of 0.011 which is also less than 0.05. We would also reject the null hypothesis. This would also imply that employees who have acquired the much needed training and have spent time to develop themselves would achieve the much anticipated success.

**Ho<sub>3</sub>:** Technology does not significantly moderate the relationship between training/development and survival of small businesses in Port Harcourt.

Hypothesis three confirms that technology significantly moderates the relationship between training/development and small business success. When technology was introduced, the relationship between training and survival became very strong with a coefficient of 0.612 as against the earlier coefficient (0.330) we had in hypothesis one. It also shows a p-value of 0.000 as against 0.010 we had in hypothesis one. Similarly, there was a change in the relationship between development and survival with a coefficient of 0.299 as against what

we had in hypothesis two (0.327) as well as a p-value of 0.021 as against 0.011. Therefore the third hypothesis would be rejected.

Correlations

Control Variables			TRAINING	DEVELOPME NT	SURVIVAL
TECHNOLOGY	TRAINING	Correlation	1.000	.211	.612
		Significance (2-tailed)	.	.109	.000
		df	0	57	57
	DEVELOPMENT	Correlation	.211	1.000	.299
		Significance (2-tailed)	.109	.	.021
		df	57	0	57
	SURVIVAL	Correlation	.612	.299	1.000
		Significance (2-tailed)	.000	.021	.
		df	57	57	0

## Conclusion

In this paper, we have studied the relationship between training/development and survival of small businesses in Port Harcourt and how technology moderates this relationship. It was however observed that training/development tends to predict the survival and advancement of small businesses in Port Harcourt Metropolis. Therefore this study would create a rationale for existing and upcoming entrepreneurs to be proactive in terms of acquiring the necessary required knowledge and skills before venturing into the business world in order to attract the much needed success. Small business owners need to see success as a product of conscious rather than miracle, they must try as hard as possible to be masters in their various fields of endeavour because the competitive nature of the business world is growing at an increasing rate and only those who are prepared would survive. Another consideration that is very important is the contribution of technology as a moderating variable. We have seen that technology which simply means the way of doing things better cannot be ruled out in the process of desiring success. Entrepreneurs must try as much as possible to know the best ways of carrying out their activities and this has to do with effective studying the business environment to ascertain the best position to take.

## Recommendations

Based on all the factors realized in this work, the following recommendations have been proposed;

- i. Small business owners should first understand that they must not hope for government to provide all that is needed for their training and development purpose.
- ii. Entrepreneurs who want to achieve business success should understand that there is a need to attend trainings and seminars often so as to get the most recent knowledge on their field of specialization.
- iii. Business owners should realize the fact that being successful in business is not all about prayers and fasting, it is all about conscious effort to be successful.
- iv. In trying to venture into new line of business, there is a need for entrepreneurs to venture into an area where they have passion so that they would be emotionally and psychologically fit in carrying out business activities.

- v. Government agencies should subsidize the cost of doing business instead of subsidizing fuel and other products. The business environment must be made habitable for every business practitioner.
- vi. Government must increase its empowerment programs rather than always sharing money to unemployed youths during elections. The youths should be trained to acquire skills that would enable them become bread winners themselves

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### Cite this article:

**Akpuruku Banton & Enyia Charles Daniel (2018). Training/Development and Survival of Small Businesses in Port Harcourt. *International Journal of Science and Business*, 2(4), 598-605. doi: <https://doi.org/10.5281/zenodo.1439140>**

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