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IMPERATIVES OF STRATEGY IN HUMAN RESOURCE TRAINING OF SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

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Abstract. This study focused on the imperatives of strategy in human resource training for Small and Medium scale Enterprises in Nigeria. This study aimed at investigating whether Strategic Human Resource Training can facilitate the achievement of SMEs growth objectives in Nigeria. This study selected 18 Micro-Small and Medium Scale Enterprises in Nigeria, with the population of 232 (32 SME owners and 200 employees). The study determined its sample size through Taro Yamane sampling method, and used Bowler's Proportional Allocation formula to distribute samples to its varying universe. Data and information were gathered through primary and secondary sources. This study analyzed the data collected with descriptive method and tested hypothesis with Likert statistical method. The study revealed that Strategic Human Resource Training can facilitate the achievement of SMEs growth objectives in Nigeria. Thus, the study concluded that strategic human training programme can serve as the bedrock of success for SMEs, and can engineer knowledge, initiatives, innovativeness and confidence, competitiveness and the achievement of positive payoff. The study therefore recommends that SME owners should integrate effective strategy to human resource training such that growth objectives can be facilitated and achieved.

Key words: human resource training, strategy, growth objectives, business game, talent war.

INTRODUCTION

Recently, much attention has shifted to the management of human resources by many business firms including small and medium scale enterprises around the globe. According to Chan (2009), human resource is critical to the success of business operations and future expansion; in other words, human resources are pertinent to small and medium firms to gain

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competitive advantage and for long term survival, and thus a deeper understanding of managing human resource in the small firm is vital. This implies that human factors form the real stuff, brain box and distinctive capability of small and medium firms.

One of the several issues raising phobia for SME owners in Nigeria is how to train human factors distinctively. In alignment with this, Cole (2005) alarmed that training and development of employees is an issue that has to be faced by every organization. It is not argued that SMEs contribute hugely to job creation, but developing human resources is a strategic issue. Training and skills development is significantly lower in SMEs than in large enterprises – with SMEs involved in up to 50% less training than larger firms, (OECD, n.d.). Few SME owners who practice human resource training did not incorporat strategy to training programmes and its benefits are far reaching. Clearly, if smaller firms are to maximize their human resource potential, such organizational learning needs to be generated throughout the range of their HRM activities and clearly tied to broader strategic issues (Beaver and Hutchings, 2005). SME owners have contributed to the mediocrity of their businesses due to their myopic view regarding the business financial capacity and other limitations. Indeed, the present business game poses threats to business firms that avoid the adoption of strategy in their human resource training. In this regard, Iwarere (2009) alarmed that many businesses today are finding it difficult to realize their ultimate goals because of the effects of the competing firms that are eroding their market shares. Incorporating strategy to human resource training has a payoff (competitive advantage or positive payoff where the strategy is winning) and can distinguish the business firm's intellectual capacity. When outwitting strategy is combined with HR training system, competitive strength therefore increases, and success becomes more feasible; as the competitive position of other business firms becomes threatened and unstable. Thus, the application of strategy to human resource training will make SME owners proactive and reactive where necessary. Training, in all its forms, should be kept simple by 'stopping the guessing' and 'starting the knowing', with the need to reflect, rethink and respond, (O'Regan et al., n.d.).

Vemić (2007) is right that organizational development is always conditioned by human knowledge and skills, but distinctive knowledge and skills of today make a good talent. For an organization to achieve its specified objectives, it must invest in training of its employees and also arrange their talents, skills and expertise, (Faloye, 2003). Thus, strategic human resource training is necessary for SMEs in the pursuance of objectives in Nigeria. It is observed that there has been relatively little or no research conducted on the imperative of strategy in human resource training for SMEs growth objectives in Nigeria.

Research objectives

The main objective of the study is to investigate the imperatives of strategy in human resource training for small and medium scale enterprises in Nigeria. Thus, the specific objective of the study is to investigate the extent at which strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria.

Research hypotheses

Based on the objectives above, the study drew one testable hypothesis as stated below:

- H₀: Strategic Human Resource Training cannot facilitate the achievement of SMEs growth objectives in Nigeria.
- H₁: Strategic Human Resource Training can facilitate the achievement of SMEs growth objectives in Nigeria.

1. LITERATURE REVIEW

Training is an integral part of the 21st century business entities, not minding its size but the competitive situation in which it found itself. In a previous study, Goldstein and Ford (2002) stressed that training and development play an important role in the effectiveness of organizations and in the experiences of people in work. In order to ensure that our employees are equipped with the right kind of skills, knowledge and abilities to perform their assigned tasks, training and development play their crucial role towards the growth and success of our business, (Niazi, 2011). The achievement of business goal is subject to how well necessary knowledge and skills are gathered and utilized. Vemić (2007) added that knowledge that is not necessary is exactly what it is: unnecessary, and the efforts to obtain it are wasted efforts.

According to Manole et al (2011), training is focused on human potential development, and will help individuals to grow both professionally and also in terms of socio-cultural factor. Basically, training and development of employees focus on how corporate goals can be achieved through organizational people, but the adoption of effective strategy makes it distinctive and competition oriented. In a recent study, Nafiu et al. (2014) pinpointed that business games are increasingly becoming fierce, and avoidance of the application of strategy by the playing firms could be dangerous. Thus, Strategic Human Resource Training is a long-term oriented distinctive approach to managing knowledge for corporate and competition purposes. SHR training plays a pivotal role in distinguishing the giants firms from the small firms in a business game. Meanwhile, it is not the financial capability that makes some firms distinguished, but their ability to engage in distinctive thinking to map out outwitting strategy.

1.1. Human resource training's strategic plans

Onah (2008) is of the view that training plan is a systematic statement of training intentions and the means by which they are to be achieved and measured. His view seems to focus on the short-term sequential training task to be undertaken, but when it is long-term oriented it becomes a strategic plan. However, human resource training strategic plan is a master plan stating how the knowledge and skills of organizational people will be acquired, and acculturated into the dynamic nature of business competition. Human resource training strategic plan does capture the overall organization's intents or functional intents, and must align with the corporate strategy. Obisi (2011) posited that planned training consists of the following steps:

- i. Identify and define training needs
- ii. Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed.
- iii. Define the objectives of the training
- iv. Plan training programs to meet the needs and objectives by using right combination for training techniques and locations.
- v. Decide who provides the training
- vi. Evaluate training.
- vii. Amend and extend training as necessary.

1.2. Imperatives of strategic human resource training for SMEs

The changing trends in the business environment demand flexible approaches such as consistent training of employees for diverse knowledge in response to the dynamism of the business world. Though, Beaver and Hutchings (2005) argued that small businesses overwhelmingly use on-the-job training (OJT) because of its low cost and their preponderance to use ad-hoc training, where provided. It must be noted that different small and large business firms engage in similar training task with distinctive approaches. This is because competition in the business game requires doing training task better than others, and it entails the adoption of outwitting strategy. According to Nafiu et al. (2014), survival of a small business firm is so threatened by the activities of other business firms today that there is emergent need for the integration of strategy to competitive situation. This conforms to the argument of Jhingan (2006) that true competition consists of the life of constant struggle and rival against rival. The application of strategy in training activities has a distinguishing power, and Nafiu et al. (2014) stated that a small business must not only develop a strategy, but an effective strategy. Nevertheless, factors that often prone or force business firms to engage in training task, regardless of size and shape, can be divided into three:

- i. Competitive situation: This involves the drive towards maintaining competitive position.
- ii. Effectiveness and efficiency: This involves doing the right thing, and doing it appropriately.
- iii. Dynamism of the business environment: This has to do with the changing nature of the business environment posing threats and opportunities for business firms.

1.3. The benefits of strategic human resource training and development

According to Goldstein and Ford (2002), training has implications for productivity, health and safety at work and personal development. Hence, the benefits of strategic human resource training and development may be dichotomized into two parts as follow:

On the part of employees

- i. It gives employees an overview of the corporate strategy, and deep sense on how the corporate goals can be pursued.
- ii. It makes employees become distinguished talents and develops capability for any business firms.
- iii. Employees may become conversant with handling strategic issues.
- iv. Wastage resulting from trial and error becomes minimal
- v. It makes employees more flexible to cope with the dynamism of business games.
- vi. Effectiveness and efficiency of employees in job performance become increasing.

On the part of business firms

- i. It makes the business firm proactive on one hand and reactive on the other hand
- ii. It distinguishes the business firm and its employees from others in the business environment.
- iii. It enables the business firm's employees to take initiatives and proffer solutions to operation problems
- iv. It improves competencies and performances of work teams.

1.4. Talent war and the place of strategic approach for SMEs in Nigeria

There is no better search for talent than investing or building the human capital at your disposal strategically. It is noticeable that small business owners often engage in spiritual warfare not only in competition, but also in the struggle for talents. The struggle for talent among SMEs in Nigeria showcases nonchalant approach to business goals and contributory negligence to its mediocrity; and often translates into business entropy. The old thought of SME owners is that the use of strategy is constrained by its complexity, high cost, and time-consumption. Beaver and Hutchings (2005) pinpointed that these factors result in what can only be viewed as a lack of strategic management of human resources within the majority of SMEs. Though, many business owners, managers and researchers believe that small businesses are limited by their resources to carry out the formulation and implementation of effective strategy (Nafiu et al., 2014). Some SME owners will engage themselves in some personal interrogations such as:

- i. Does strategy really matter for small business firms' talent hunt?
- ii. How do we analyze its cost-benefit?
- iii. What happens if the strategy fails?

The market giants never fail even when their strategy fails. According to Nafiu et al. (2014), effective strategy in itself can only serve as a road map and not as a guarantee for the achievement of a corporate goal. Strategic HR training involves distinctive thinking and expertise in shaping employees' knowledge and skills for competitive edge. Thus, a strategically trained employee will possess a distinctive knowledge and skill that give SMEs competitive capacity and distinctive character.

2. RESEARCH METHODOLOGY

The study used survey method. This study was conducted in Nigeria, surveying some selected Micro-Small and Medium Scale Enterprises. The study selected 18 Micro-Small and Medium Scale Enterprises, totaling the population of 232 (32 SME owners and 200 employees). For this work, Taro Yamane (1964) sampling method was adopted to determine the sample size. The formula and calculation are shown below as:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{232}{1 + 232(0.05)^2} = \frac{232}{1 + 232(0.0025)} = \frac{232}{1 + 0.58} = \frac{232}{1.58} = 146.835 = 147 \text{ approximately}$$

Where; n -The desired sample size

N – The population size under study

e – The limit of tolerable error assumed to be 0.05

1 – Unity (always constant) in value

Bowler's Proportional Allocation formula was adopted, as shown below, to allocate samples to the population. Thus, the study used stratified random sampling technique which entailed grouping respondents into strata on the basis of common characteristics.

The study therefore, applied simple random sampling technique to select the required sample size.

 $n_1 = \frac{n(n_1)}{N}$ Where n = Overall sample size; n_1 = Population of each group of potential respondents; N = The Total Population.

SME owners=
$$\frac{147(32)}{232} = 20$$
 Employees= $\frac{147(200)}{232} = 127$

This study used primary and secondary sources for gathering reliable data and information. The primary sources of data include the personal interview, observation and structured questionnaire. The secondary sources include text books, journals and the Internet. This study analyzed the data collected with descriptive method and tested hypotheses with Likert Scaling statistical method.

3. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

Table 1 Questionnaire administration

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
Questionnare	20	127	147	100.0
Distributed	19	116	135	91.8
Unreturned	1	11	12	8.2

Source: Field Survey, 2015

Table 1 shows that 147 questionnaires (100%) were administered; 135 questionnaires (91.8%) were returned; and 12 questionnaires (8.2%) were not returned. For the purpose of analysis, the total number of the questionnaires returned was worked upon.

Table 2 Respondents' marital status

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
Single	4	48	52	38.5
Married	15	47	62	45.9
Divorcee	_	17	17	12.6
Widow(er)	_	4	4	3.0
Total	19	116	135	100.0

Source: Field Survey, 2015

Table 2 depicted that 52 respondents (38.5%) were single; 62 respondents (45.9%) were married; 17 respondents (12.6%) were divorced; and 4 respondents (3.0%) were widowed.

Table 3 Respondents' qualifications

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
SSCE	_	7	7	5.2
ONDINCE	2	25	27	20.0
HNDIB.Sc	10	68	78	57.8
M.Sc/MBA	3	15	18	13.3
Others	4	1	5	3.7
Total	19	116	135	100.0

Source: Field Survey, 2015

Table 3 shows that 7 respondents (5.2%) were holders of SSCE; 27 respondents (20.0%) were holders of OND/NCE; 78 respondents (57.8%) were holders of HND/B.Sc; 18 respondents (13.3%) were holders of M.Sc/MBA; and 5 respondents (3.7%) held other certificates which are not specified.

Table 4 Responses regarding the SME owners' adoption of strategy to managing employees

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
Yes	_	17	17	12.6
No	19	99	118	87.4
Not sure	_	_	_	_
Total	19	116	135	100.0

Source: Field Survey, 2015

Table 4 shows that 17 respondents (12.6%) expressed that SME owners do adopt strategy in managing their employees in Nigeria; and 118 respondents (87.4%) expressed that SME owners do not adopt strategy in managing their employees in Nigeria.

Table 5 Responses regarding the benefits of strategic human resource training program

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
Yes	14	62	76	56.3
No	3	9	12	8.9
Not sure	2	45	47	34.8
Total	19	116	135	100.0

Source: Field Survey, 2015

Table 5 shows that 76 respondents (56.3%) thought that strategic human resource training programme is beneficial to both employees and SME owners; 12 respondents (8.9%) thought that strategic human resource training programme cannot benefit both employees and SME owners; and 47 respondents (34.8%) were not certain whether or not strategic human resource training programme can benefit both employees and SME owners.

Table 6 Responses regarding the extent at which strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria

Single	SMEOwners	Employees	Total	
			Frequency	Percentage
Very Great Extent	5	59	64	47.4
Great Extent	6	31	37	27.4
Moderate Extent		11	14	10.4
Low Extent	5	8	13	9.6
Very Low Extent	1	6	7	5.2
Total	19	116	135	100

Source: Field Survey, 2015

Table 6 shows that 64 respondents (47.4%) opined that strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria to a very great extent; 37 respondents (27.4%) opined that strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria to a great extent; 14 respondents (10.4%) opined that strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria to a moderate extent; 13 respondents (9.6%) opined that strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria to a low extent; and 7 respondents (5.2%) opined that strategic human resource training can facilitate the achievement of SMEs growth objectives in Nigeria to a very low extent.

3.1 Test of hypothesis

Table 7

Single	Frequency	Rating	FX
	(F)	(X)	
Very Great Extent	64	5	320
Great Extent	37	4	148
Moderate Extent	14	3	42
Low Extent	13	2	26
Very Low Extent	17	1	17
Total	135	15	553

Likert =
$$\frac{\sum FX}{N} = \frac{553}{135} = 4.10$$

Mean Point of Scale =
$$\frac{\sum X}{n} = \frac{15}{5} = 3.00$$

Cut-off Point = Mean + e = 3.00 + 0.05 = 3.05

Decision

Since the calculated Likert is greater than the cut-off point (that is, Likert = 4.10 > Cut-off Point = 3.05), and the decision rule states that where the calculated Likert is greater than the cut-off point, the statement is regarded as valid and effective. Thus, the

null hypothesis is rejected and the alternative hypothesis accepted. We therefore uphold that Strategic Human Resource Training can facilitate the achievement of SMEs growth objectives in Nigeria.

3.2 Discussion of findings

The present study discovered that only few SME owners usually adopt strategy to managing their employees. This aligns with the findings of Chan (2009) that staff training in small firms within the accommodation sector is commonly carried out in an unstructured and informal manner based on job instruction. The study observed that the enterprises of these few owners are apparently healthy and have future tendencies of growth compared to others who avoid strategy in managing their employees.

This study also discovered that when strategy is applied to human resource training programme, both employees and SME owners stand to benefit a lot. Though, it was also discovered that those respondents who do not appreciate the potentials of strategy are with little or no educational background, and run their enterprises without clear vision and mission. Strategic human resource training programme may give employees distinctive prowess and enable distinctive organizational capacity in both competition and market control. This finding also serves as correction to the discovery of the study by Vemić (2007) that employees view the training as an imposed obligation, rather than a way to maximize their potential and they do not realize that by improving their performances and innovation of their knowledge they may contribute to better business results of the organization they belong to.

This present study also discovered that Strategic Human Resource Training can facilitate the achievement of SMEs growth objectives in Nigeria. Meanwhile, the study also discovered through interviews that strategic training programme is the bedrock of the success of most industrial tigers (giant firms) today, and can engineer knowledge, initiatives, innovativeness and confidence, competitiveness and the achievement of positive payoff. This simply indicates that three major factors (pessimism, illiteracy and lack of clear vision and mission) discourage SME owners in the adoption of strategy since the fact is known and been avoided.

CONCLUSION

In today's business environment, human resource training is a viable approach for competitive situation that is placing opportunities and threats before business firms regardless of their sizes. Human Resource Training will establish a platform for SMEs to cope with environmental change through its people, especially when strategy is not lagging.

Many business firms today engage in business game to strive for success in different dimension. It is obvious that too many business firms pursue similar interests, which then intensifies the fierceness of competition. Hence the adoptions of strategic approach by few SME owners to managing their employees. The application of strategic approach to human resources training program is apparently healthy and has future tendencies of growth compared to others who avoid strategy in managing their employees. Furthermore, when strategy is applied to human resource training programme, both employees and SME owners stand to benefit a lot. This is because strategic human resource training programme

anchors employees' distinctive prowess and enables distinctive organizational capacity in both competition and market control. Thus, strategic training programme can serve as the bedrock of success for SMEs, and can engineer knowledge, initiatives, innovativeness and confidence, competitiveness and the achievement of positive payoff.

Recommendations

Based on the aforementioned findings, the study therefore recommends that:

- i. SME owners should adopt effective strategy in managing their employees so that corporate goals can be achieved appropriately.
- ii. SME owners should also investigate into the success of giant firms' training programmes and copy their strategies where necessary.
- iii. SME owners should establish a clear vision and mission, and possess at least average level of knowledge and skills as the baseline for understanding and formulating strategy.

SME owners should integrate effective strategy to human resource training so that growth objectives can be facilitated and achieved.

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IMPERATIVI STRATEGIJE U OBRAZOVANJU LJUDSKIH RESURSA U MALIM I SREDNJIM PREDUZEĆIMA U NIGERIJI

Ova studija se bavi imperativima strategije u obrazovanju ljudskih resursa u malim i srednjim preduzećima u Nigeriji. Ova studija ima za cilj da istraži da li Strateška obuka ljudskih resursa može da olakša rast malih i srednjih preduzeća u Nigeriji. Studija je obuhvatila 18 mikro-malih i srednjih preduzeća u Nigeriji, ukupne populacije 232 (32 vlasnika i 200 zaposlenih). Studija je odredila veličinu uzorka preko metoda uzorka Taro Yamane, i koristila je Boulerovu formulu proporcionalne alokacije da distribuira uzorke. Podaci i informacije su sakupljani iz primarnih i sekundarnih izvora. Ova studija je analizirala sakupljene podatke deskriptivnom metodom i testirala hipoteze Likertovom statističkom metodom. Studija je otkrila da Strateška obuka ljudskih resursa može da olakša rast malih i srednjih preduzeća u Nigeriji. Na taj način, studija je zaključila da program strateške obuke ljudskih resursa može da služi kao temelj za uspeh malih i srednjih preduzeća, i može da pospeši znanje, inicijative, inovativnost i samopouzdanje, konkurentnost i postizanje pozitivne isplativosti. Studija, prema tome, preporučuje vlasnicima malih i srednjih preduzeća da integrišu efikasnu strategiju u razvoj ljudskih resursa tako da se ciljevi razvoja mogu olakšati i dostići.

Ključne reči: obuka ljudskih resursa, strategija, ciljevi rasta, poslovna igra, rat talenata