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ASSESSMENT OF HUMAN RESOURCE MANAGEMENT PRACTICES OF SMALL SCALE ENTERPRISE MANAGERS IN ANAMBRA STATE

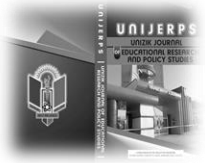
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Abstract

This assessed the level of human resource management practices adopted for enhancement of small scale enterprises. One research question and one null hypothesis guided the study. The descriptive survey design was adopted. The research was carried out in Anambra State of Nigeria. The population for the study consisted of all small scale enterprise managers in Anambra State. While the sample consisted of 754 respondents selected through proportionate stratified random sampling technique. A structured questionnaire on level of human resource management practices of small scale enterprise managers was developed for the study. The instrument was duly validated. In order to determine the reliability of the instrument, 10 copies were administered on 10 small-scale enterprise managers in Delta State. Data collected were subjected to Cronbach alpha measure of internal consistency determination which yielded 0.97. Copies of the questionnaire were administered to the respondents by the researchers with the help of research assistants who were properly briefed on the administration and collection of the questionnaire. Data collected were analysed using descriptive statistics of the mean and standard deviation. Analysis of Variance (ANOVA) was used to provide the statistical test of the hypothesis. Results indicated low level of adoption of performance management practices by SSEs in Anambra State. It was recommended among others that managers of small scale enterprises in Anambra State should avail themselves of various training programmes and workshops on human resource management practices to enhance their knowledge and improve their business performance.

Keywords: Assessment; Human Resource; Management Practice; Small Scale Enterprise; Managers.

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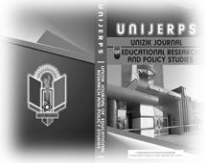

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Introduction

In Nigeria, Governments had in order to ensure the survival and sustainability of small scale enterprises, put in place well intentioned strategic policy, schemes, programme and institutional arrangements designed to provide succour to the performance of small scale business sector (Osuagwu, 2017). The National Enterprise Development Programme (NEDEP) policy is one of such policy established by the Federal Government to boost the performance of small businesses. This policy placed micro, small, and medium enterprises at the centre of National Economic Policy. The vision was to take the new model for national enterprise development to all the 774 local governments in Nigeria. The programme has fully unlocked the potentials of Nigeria's micro, small and medium enterprises sector by resolving many of the problems that most small businesses face, such as – access to finance, access to market, weak business development, dearth of technical skills, lack of infrastructure, and insufficient market information (Aroloye, 2015). Despite all the emphasis on small scale enterprises by different agencies, they still do not seem to meet up with the expected growth. Only a small proportion of them make it past the first three years or what may be referred to as the 'gestation period". This view is supported by Effiom and Edet (2018) who held that notwithstanding the quantum of efforts by successive governments and other stakeholders towards the survival of SSEs, majority of newly established SSEs fail to survive their first two years, while existing ones are either shutting or operating at sub-optimal levels. Effiom and Edet further observed that the high rate of SSE mortality calls for scrutiny of internal operational effectiveness and efficiency, as well as an understanding of the external environmental factors capable of impeding SSEs ability and flexibility to take advantage of business opportunities needed for growth and profitability. Osuagwu (2017) also recommended that small scale enterprises should ensure that they solve their internal problems which hinder their success. Okoli and Okeke (2017) also posited that one of the problems of small scale enterprises in Nigeria is the problem of human resource management on the side of the entrepreneurs and this has always led to failure of such businesses. Honyenuga (2011) also emphasized that it appears surprising

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that personnel or human resource management (HRM) of small enterprises is widely ignored by employers even after been acknowledged as a factor for effective organization in popular textbooks as well as in empirical researches. Armstrong (2012) argued that human resource is necessary for the enhancement of small scale enterprises.

Human resource refers to the people at work. Human resource management refers to how human resources are effectively managed in organizations for effective production (Healthfield, 2017). The human resource management of small scale enterprises therefore involves the acquisition, development and wellbeing of people in the organization. Pinnow (2011) stated that no matter how huge the capital of an enterprise is, without good and effective human resources, the enterprise must flop. Thus, every enterprise must be particular about the human resources so as to ensure successful performance. Johnson (2019) stated that employee effectiveness might be even more important in small companies compared to bigger companies. However, the employees and an optimal utilization of their knowledge, capacities, and motivation are as well essential for small-scale business success.

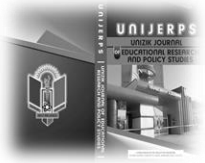
While the optimal utilization of employee knowledge is very essential for business success, (and the world is becoming more competitive and unstable than ever before), manufacturing-based industries are seeking to gain competitive advantage at all cost and are turning to more innovative sources through HRM practices (Tan & Nasurdin, 2010). Invariably, it is not enough to acquire human resource in an organization. The human resource should be empowered to possess the necessary competencies needed to excel on the job. Organizations should ensure that they take care of their employees to avoid losing them to competitors due tolack of the human resource management practices which will help to attract best talents, empower and maintain them for maximum performance. Biswas and Gautam (2017) therefore defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and survival of organizations and members. Likewise, Tan and Nasurdin (2011) viewed HRM practices as a set of practices used by organizations to manage human resources through

facilitating the development of competencies that are firm specific, produce complex social relation and generate organizational knowledge to sustain competitive advantage. In this context, HRM practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of an organization.

This study adopted the view of Armstrong (2012) on human resource management practices which maintained that if small scale enterprises would adequately adopt appropriate human resource management practices of proper recruitment and selection, training, performance appraisal, career management and reward system, they would make a substantial impact on a firm's performance. This study concentrated on the assessment of performance management needed for the enhancement of the small scale enterprises.

Performance management refers to a systematic process for improving organizational performance by developing the performance of individuals and teams. Its objective is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and their organization. The aim is achieved when an organization provides an integrated and coherent range of human resource management processes that are mutually supportive and contribute to improving organizational effectiveness. This is done by aligning individual and organizational goals, providing for personal development and following them up with performance pays decisions, such that the employees know what they are expected to do, the skill they are expected to have and opportunities provided for them to develop those skills and competencies in their career.

Effective Human Resource Management (HRM) practices enhance organizational performance by increasing employees' skills, involvement and motivation. It contributes to business objectives through strategic innovation or technical competency (Sarwar, 2013). This view is supported by Jackson and Chapman (2012) who maintained that for a business to perform successfully, both the technical and non-technical competencies must be applied successfully.


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Since studies have identified human resource management practices required for successful performance of such SSEs, the researcher feels that the cause of the failure might be on inadequate adoption of the HRM practices. In view of the fact that the level of adoption of the HRM practices for enhanced performance in Anambra State is empirically unknown, thus, the need for the present study which intends to move a step further from just identifying the HRM practices by assessing the level of adoption of these practices by small scale entrepreneurs in Anambra State to determining the causes of the failure of SSEs within few years of operation. This could differ based on location. Enterprises located in urban and rural areas may not be expected to be the same in terms of performance management practices (Tan & Nasurdin, 2010). This, however, is what this study is out to ascertain empirically.

Statement of the Problem

The role of Small Scale Enterprises (SSEs) in economic growth, industrialization and employment generation, wealth creation, poverty alleviation and food security in Nigeria, and Anambra State in particular cannot be over emphasized. This is because there is hardly any street in Anambra State without a small business outlet and the people depend on one business or the other for survival. However, despite the wide recognition of SSEs as the engine of national economic development and growth, the sector is still challenged with the risk of failure. According to Agwu and Emeti (2014), majority of the SSEs do not survive as most of them wind-up within the first generation. These Authors maintain that only 30% of them survive to the second generation, 12% to the third generation and only 3% to the fourth generation and beyond, which analytically gives a great concern to the society. This low survival rate had posed serious problems for both the developed and the developing nations (Bandara and Rathnasiri, 2016). One major factor responsible for the low survival rate is the level of human resource management (HRM) practices (Armstrong, 2012) adopted by the managers. As Pinnow (2011) puts it, no matter how huge the capital of an enterprise is, without good and effective human resources, the enterprise must flop. Again, studies have also shown that requisite human resource management practices needed to keep small scale enterprises afloat seem not to be put in use by the managers of the SSEs, hence the pitiable

state of SSEs, particularly in Anambra State. The researcher is mostly worried that the rising cases of SSEs flop in Anambra State as reported by Nnabuife, Okoli, Moneme and Ewah-Bassey (2018) may not be unconnected with their level of adoption of HRM practices. As a result of these factors, most of the small scale enterprises do not seem to meet up with the expected growth and some fold up within few years of their establishment. Research findings have identified human resource management practices that could guarantee success of small scale enterprises but the question is "do small scale enterprise managers adopt the identified practices, and if they do, to what level? In the light of the above, the conduct of this study became imperative to fill the obvious gap in knowledge. Thus, the need for the assessment of the level of human resource management practices of small scale enterprise managers in Anambra State.

Research Question

One research question guided the study:

1. What is the level of performance management practices adopted by small scale enterprise managers in Anambra State?

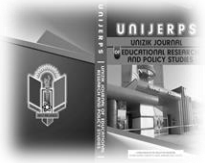
Hypothesis

One null hypothesis was tested at 0.05 level of significance:

1. There is no significant difference in the mean ratings of small scale enterprise managers in Anambra Central, North and South on their performance management practices.

Research Method

The study adopted survey design to assess the level of human resource management practices adopted for enhancement of small scale enterprises. The research was carried out in Anambra State of Nigeria. The population for the study consisted of all small scale enterprise managers in Anambra State. From the data available at the Anambra Chamber of Commerce, Agriculture, Mines and Industries, there were1,506 registered small scale businesses in Anambra State, which comprised 123 small scale enterprises in Anambra Central as collected from Awka Chamber of Commerce, Agriculture, Mines and Industries; 556 small scale enterprises in Anambra South as collected from Nnewi Chamber of Commerce, Agriculture, Mines and Industries; and 827 small scale enterprises in Anambra North as



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collected from Onitsha Chamber of Commerce, Agriculture, Mines and Industries. The sample for this study consisted of 754 respondents. Proportionate stratified random sampling technique was adopted in selecting the sample. A structured questionnaire on level of human resource management practices of small scale enterprise managers was developed for the study. The instrument was duly validated by presenting it along with the topic of study, the purpose of study and the research questions to experts who made inputs that were incorporated in the production of the last version of the instrument which was subjected to reliability testing. The instrument was administered on 10 small-scale enterprise managers in Delta State. Data collected were subjected to Cronbach alpha measure of internal consistency determination which yielded 0.97 and was considered high enough for the instrument to be reliable. Copies of the questionnaire were administered to the respondents by the researchers with the help of research assistants who were properly briefed on the administration and collection of the questionnaire. Data collected were analysed using descriptive statistics of the mean and standard deviation. The nominal values assigned to the response categories were interpreted in relation to their real limit as follows:

Response	**Values**	**Lower Limit**	**Upper Limit**
Very High Level (VHL)	5	4.50	5.00
High Level (HL)	4	3.50	4.49
Average Level (AL)	3	2.50	3.49
Low Level (LL)	2	1.50	2.49
Very Low Level (VLL)	1	0.50	1.49

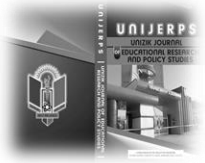
Analysis of Variance (ANOVA) was used to provide the statistical test of the hypothesis.

Presentation of Results

Research Question: What is the level of performance management practices of small scale enterprise managers in Anambra State?

Data collected in respect of this research question are presented in Table 1.

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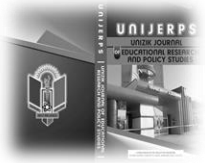
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Table 1: Mean responses of SSE managers regarding their level of Performance Management Practices

S/N	Item Statements	Mean	SD	Remark
1.	Align individual objective to the organizational objectives for actualization of organizational goals.	3.12	1.18	Average Level
2.	Improve organizational performance through career management practices	3.46	1.27	Average Level
3.	Improve individual performance			
4.	through career workshops.	2.75	1.26	Average Level
5.	Provide the basis for personal development through in-service training	2.43	1.17	Low Level
6.	Develop performance culture by adherence to strict performance pay decisions	2.74	1.49	Average Level
7.	Improve individual performance through different reward practices	2.60	1.37	Average Level
8.	Improve individual performance through coaching.	2.34	1.17	Low Level
9.	Improve individual performance through mentoring.	2.64	1.31	Average Level
	Cluster	**2.76**	**1.236**	**Average Level**

Table 1 reveals the mean and standard deviation on the level of performance management practices adopted by small scale enterprise managers in Anambra State. The Table reveals that the mean responses range from 2.34 to 3.46, while the standard deviation range from 1.170 to 1.494. The mean responses on two items (4 and 7)depict low level of performance management practices with mean responses of 2.34 and 2.43, while the mean responses of the remaining six items (1,2,3,5,6 and 7) range from 2.60 to 3.46 and indicate average level of performance management practices of


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the small scale enterprise managers. The cluster mean of 2.76, therefore, depicts that the performance management practices of the small scale enterprise managers is on the average level.

Hypothesis: There is no significant difference in the mean ratings of small scale enterprise managers in Anambra Central, North and South on their performance management practices.

The test of this hypothesis is presented in Table 2.

Table 2: The ANOVA Summary of SSE Managers' Mean Scores on their level of Performance Management Practices based on Location

Sources of Variance	Sum of Squares	df	Mean Square	F	Sig.	Decision
Between Groups	8.86	2	4.43	2.91	0.06	Accept
Within Groups	1141.76	751	1.52			
Total	1150.63	752				

Data in Table 2 reveals the ANOVA summary on the difference between small scale enterprise managers based on location, on their performance management practices. The test reveals no significant difference (df = 2, 751; F=1.07; p = .06> .05) in performance management practices between small scale enterprise managers in the three senatorial districts in Anambra State. Thus, the null hypothesis is accepted.

Discussion of Findings

The findings of this study are organized and discussed based on the research question guiding the study as well as the null hypothesis. The result of the data analysis in respect of research question as presented in table 1 showed the response of small scale enterprise managers on the level of adoption of performance management practices by SSEs in Anambra State. The findings revealed that performance management

practices are adopted at average level by small scale enterprises in Anambra state. This means that performance management practices such as aligning individual objectives to the organizational objectives, providing the basis for personal development through in-service training, developing performance culture by adherence to strict performance pay decisions improving individual performance through different reward practices and improving individual performance through coaching and mentoring among others are adopted by the small scale enterprise managers in Anambra but at a middling level which implies that their adoption of performance management practices were not too adequate to guarantee successful performance. In support to this, Katou (2011) who studied the impact of HRM on organisational performance in Greece found that there is a significant relationship between performance management and employee output. The level of adoption of performance management practices in Anambra State could be related to Wickramsingle (2016) who revealed that performance management significantly predict effectiveness and added that though medium sized enterprise in Sri Lanka have devoted considerable energy in implementing performance management practices, yet, considerable improvements are needed in the level of adoption.

The finding regarding research question one of the current study proved that majority of the SSEs are more interested in their gain while neglecting the interest of the staff and little did they know that balancing the interest of the organisation and that of the employees through in-service training, coaching and pay decisions among other practices would invariably have a positive effect on the firm's performance. Performance management is one of the precarious HRM practices and its proper adoption ensures the survival of the business and its profitability. This assertion is validated by the findings of a study by Forth and Bryson (2018) that greater use of performance management practices is associated with higher labour productivity, a lower probability of bankruptcy/closure, better stock market performance and faster sales growth. Therefore, small scale enterprises in Anambra State need to enhance their adoption of performance management practices in order to enhance their business performance.

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The result of null hypothesis one tested at 0.05 level of significance using t-test as presented in Table 11 indicated that there is no significant difference in the mean scores of experienced and less experienced small scale enterprise managers in Anambra State on their performance management practices. Thus, null hypothesis one was accepted. Similarly, the result of null hypothesis two tested at 0.05 level of significance using t-test as presented in Table 12 also showed that there is no significant difference in the mean scores of educated and less educated small scale enterprise managers in Anambra State on their performance management practices. Hence, null hypothesis two was accepted. Again, the result of null hypothesis three tested at 0.055 level of significance using ANOVA as presented in Table 2 showed that there is no significant difference in the mean scores of small scale enterprise managers in Anambra Central, North and South on their performance management practices. Hence, null hypothesis three was accepted. These findings show that the years of experience, levels of educational attainment and location of SSEs did not result in significant differences regarding the responses on the level of adoption of performance management practices by small scale enterprises in Anambra State. This means that years of experience, educational qualification and location had no inverse influence on the managers' responses to the performance management practices by small scale enterprises in Anambra State. This finding is in accord to the study of Okoli and Okeke (2017) which results revealed that respondents irrespective of their various educational qualifications and years of experience did not differ significantly in their responses on extent they adopt suitable human resource management practices of small and medium enterprises in Anambra State, Nigeria.

Conclusion

The adoption of human resource management practices is very necessary for successful operation of small scale enterprises. From the findings of the study, it is evident that the HRM practises of performance management practices are at average level and reward practices at low level. Similarly, the technical competencies are at average level and technical capabilities competencies are at low level. This means that SSE managers in Anambra State seem to lack in the level of

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adoption of HRM practices. These may likely be the reason for their poor performance as contained in the literature. However, since these human resource management practices are indispensable for improved business performance of firms, small scale enterprise managers in Anambra State should endeavour to enhance their adoption and possession of these human resource management practices for optimum performance and profitability.

Recommendations

Based on the findings and conclusion of the study, the following recommendations are made:

1. Managers of small scale enterprises in Anambra State should avail themselves of various training programmes and workshops on human resource management practices to enhance their knowledge and improve their business performance.
2. Planners of youth programmes like NDE, NASSI, SMEDAN, SMEEIS, NACCIMA and so on should not only concentrate on the required human resource management practices in their seminars, workshops, campaigns among others, but, should also include the level of their adoption that would at least guarantee successful performance, so that they can start their businesses and succeed as well.

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