Factors Affecting Manpower Capacity Development among

Agribusiness-Based Entrepreneurial Organizations in Abia State, Nigeria

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Abstract

The study examined the factors affecting manpower development among agribusiness-based entrepreneurial organizations in Abia state, Nigeria. Data were collected from 75 agribusiness-based entrepreneurial organizations from two local government areas within the two agribusiness zones of Abia State. The method of data collection was through a random sampling technique and the instruments of data collection were questionnaire and oral interviews. The data collected were analyzed were with descriptive statistics, chi-square and Ordinary Least Square multiple regression analysis. Results revealed that, majority of the firms (56.2percent) are well informed and experienced in agribusinesses management practices used by the firms; the agribusiness-based entrepreneurial organizations that produce primary agribusiness raw inputs have more manpower (80.36percent) than organizations that used the raw materials for further production. Working condition was observed to influence (100 percent) the operations of both entrepreneurial organizations producing primary agribusiness raw inputs and that of those using the raw materials respectively. A total of the firms (68.75percent) using primary agribusiness raw materials are facing constraints of low market patronage. A further analysis showed that there is a significant difference between manpower development and productivity. Results of the multiple regression analysis showed that income, capital available for training and productivity were the major factors that positively and significantly affected manpower development. However, taxation signed negatively but significantly affected manpower development. The study recommends among others, that government and policy makers should come up with tax protection policies for agribusiness-based entrepreneurial organizations as it is found to be hampering the firms development especially manpower wise.

Key words: Factors, Manpower development, Agribusiness-Based, Organizations

Introduction

As competitors strive to win the war for talent, businesses need to become more effective at managing their training and development resources in order to gain competitive advantage within the marketplace. Senior managers within

organizations are now becoming increasingly aware of the importance of training and development as a strategic function and its impact on the future success of the business.   It is vital for training managers to effectively acquire, manage and develop their internal and external resources in order for the training function to be strategically aligned to business objectives. Training and development is a key activity for an organisation to improve the performance of its employees, thus improving organisational efficiency. Training needs to be recognised and utilised as a management tool which requires training professionals to take full sponsibility for the ffectiveness and business focus of their activities. The alignment of training with strategic business needs is a crucial part in the value adding process of the organisation, which is vital in seeking competitive advantage (Training and Development, 2005).

Good managers look to the future and prepare for it. One important way of doing so is to develop and train manpower so that they will be able to cope with new demands, new problems and new challenges. Manpower development serves as the propelling force for growth and development and it is no doubt that a key to organizations' sustenance. Manpower development
concept is the provision of a skilled labour force in relation . It is therefore involves the training of personnel in the acquisition of specific or general skills that will enable them to function effectively and efficiently in the organization. Manpower is the 'human
capital' that has acquired specialized skill through formal and / or informal work training. Manpower, therefore, represents the human resource of the nation in various aspects of human endeavours. It is the education received through the acquisition of specific skills that will enable the individual to cope effectively and efficiently in job performance in any given situation. You can now see the linkage between manpower approaches and educational planning (Open University of Nigeria course guide, EDP 806, 2011)

Ekpo (2000) defined the concept of manpower development as "the existence of unskilled and/or skilled humans that need training or re-training to perform specific task in the society". Thus, manpower development could be seen as organization specific; this is because it is largely a function of organizational manpower needed for job specification. That is, it could be viewed as the adaptation of human resources available in the country to the needs, objectives and the orientation of a given enterprise.

Employee or manpower productivity is therefore a function of ability, will and situational factor. An organizational firm may have employee's ability and determination, with appropriate equipment and managerial support yet productivity falls below expected standards. The missing factor in many cases is the lack of updated skills and knowledge which are required through manpower development.

Employee or manpower development is about employee utilization, productivity, commitment, motivation and growth. Many employees have failed in some enterprises/organizations because their need or development was not identified and provided for as an indispensable part of management function.

Some enterprises (agribusiness enterprises) without well established human resources department that are in charge of   manpower development fall into the problem of not developing their manpower as at when necessary, which might cause a setback on production resulting into decline in productivity which also go a long way to affect its

tendency of growth. In most organizations/enterprises, inadequate manpower training and development will in no doubt greatly obstruct the success they would have been making. The result being that the available labour force is not effectively planned, managed, trained and developed and the organization suffers considerable loss in productivity.

Following the discuss so far, the overall objective of this study is on factors affecting the manpower development and the specific objectives includes to

1) analyse the agribusiness entrepreneurial organizational features and the socioeconomic characteristics of employees of the selected agribusiness organization

2) ascertain the various levels of manpower development in the selected agribusiness organization,

3) examine the constraints faced by the various organizations on manpower development;

4) determine the impact of manpower development on the organizational productivity

5) determine the factors that affect manpower development.

Methodology

This work was carried out in Abia State of Nigeria which is located in the South eastern region of Nigeria and lies within approximately latitude 4^o40 and 6^o14 north and longitude 7^o10 and 8° east. Abia state has 17 Local Government Areas and three agribusiness zones specifically given to agribusiness activities.

A random sampling technique was used in sampling the respondents. Two local governments from two agribusiness zones were selected at random and they both captured the rural and urban areas. A total of 56 agribusiness based entrepreneurial organizations were selected randomly from the producers of agricultural products and 16 firms from the users of agricultural products to give a total of 75 organizations.

Primary data were generated from structured questionnaires, interviews and observations while secondary data were extracted from journals and other reports. Data were analyzed with simple descriptive statistics for objective one to three, chi-square was used for objective four and multiple regression analyses was used to analyse objective five. The chi-square is express thus

$$X^2 = \sum \frac{(O-E)^2}{E}$$

Where O = Observed

E = Expected

X^2 = Symbol for Chi-square

$\sum$ = Summation

Expected frequency, e = Row total x Column total   Ground

total

Objective five is analyzed with Multiple Regression analysis implicitly stated as follows:

$Y = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7)$

Where Y = Manpower development (number of employee trained)

X_1 = Location of the organization in dummy, 0 for rural and 1 for urban areas

X_2 = Current debt in Naira

X_3 = Taxation load of the organization

X_4 = Years of organizational existence

X_5 = Income in Naira

X_6 = Capital available for entrepreneurship training

X_7 = Organizational productivity

E = Error term.

Results and discussion

In this section the result and the discussion on features of the agribusiness entrepreneurial organizations (in terms of age or years of existence, number of employees, working conditions and involvement in training activities), factor affecting man power capacity development and other constraints hampering the organizations in manpower development were considered.

Analyses of the features of the selected agribusiness organizations

The features of the selected agribusiness based entrepreneurial organizations using agricultural products and those producing agricultural products were analyzed and are hereby discussed

Table 1 above shows that 56.25 percent of the agribusinesses using agricultural products had existed for 5-8 years. This implies that majority of the organizations are experienced agribusiness operations following the number of years of existence while 48.21percent of the organizations producing raw agribusiness inputs had existed for about 5-8 years which also implied that majority of the firms are experienced agribusiness-based entrepreneurial organizations regarding alternative uses of raw inputs from primary agribusiness organizations.

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Table 2 above presents number of employees in the organizations. It reveals further that that the 43.75 percent of the organizations using raw inputs from primary agribusiness have staff strength of 10-19 persons. Also Table 2 indicates that majority (80.36 percent) organizations producing raw agribusiness inputs have staff strength of 1-9 persons. The result deeply implied that the entrepreneurial organizations producing primary raw agribusiness inputs have more manpower than the firms using the raw materials.

Table 3 reveals that working condition has a great deal of influence (100 percent) in the working operations of both entrepreneurial organizations using and producing raw agribusiness products respectively.

From Table 4, firms producing raw agribusiness inputs were also involved in training activities for their employees in such areas which included machine operations (10.5 percent), cultivation techniques (17.85 percent), vaccine administration and other training activities as indicated in Table 4. Furthermore, the organizations using raw material inputs which were also involved in one kind of training activity for their employees have their components represented as follows, customer services/relationship (31.75 percent), catering (18.75 percent), machine operation (12.75 percent) and other training activities as represented in table 4 above.

Constraints faced by various agribusiness enterprises on manpower capacity development.

From table 5   68.75 percent being the highest percentage of the firms using raw agribusiness inputs and who are facing constraints of low market/patronage while 35.71 percent of the firms (producers of raw materials from primary agribusinesses) are facing the problems of low market/patronage and lack of fund/market which has the highest percentage.

Analysis of the impact of manpower capacity development on agribusiness productivity

Table 6 shows that X^2 calculated (66.33) is greater than X^2 tabulated (23.7) indicating that there is significant difference between manpower capacity development and productivity. This difference could be as a result of the amount of capital invested in manpower development. The greater the capital invested in man power development the better the capacity of man power to contribute to agribusiness productivity.

Analysis of factors affecting manpower capacity development

Exponential model was chosen as the lead equation based on the value of R^2 (coefficient of multiple determination), F-ratio, the magnitude of regression coefficients and the conformity of the signs of the regression coefficients to *a priori* expectations.

The value of R^2 which is 0.780 implies that 78 per cent of the variation in the dependent variable is accounted for by the independent variable included in the model.

Taxation was significant and negatively related to amount invested in manpower development. This indicates that as taxation increased, the amount invested in manpower development decreased. Taxation could be likened to leakage from the agribusiness enterprise. The greater the leakage, the less the amount available for manpower development.

Income was significant at 1 percent risk level and positively related to amount invested in manpower development. This indicates that as income of the firm increased, the amount invested in manpower development also increased. The increase in income could be as a result of the productivity of the employee. The greater the productivity of the employee, the greater the income and the greater the income, the greater the manpower development.

Capital available for training was significant at 1 per cent risk level and positively related to amount invested in manpower development. This implies that as the number of employees increased, the amount invested in manpower development increased. Increased number of employees could mean abundant labour (hired). The greater abundant labour, the greater the case at which task is accomplished and on time. The greater the case at which task is accomplished, the greater the amount invested in manpower development.

Productivity was significant at 1 per cent and positively related to amount invested in manpower development. This indicates that as productivity increased, amount invested in manpower development increased. This is according to *a priori* expectations.

Conclusions

The results obtained in this study revealed that taxation, income, capital available for training and productivity were the major significant factors affecting manpower development among agribusiness-based entrepreneurial organizations in the study area. However, other factors which did not have significant effect on manpower development among agribusiness-based entrepreneurial organizations are location, current debt and, years of existence. Based on the results obtained in the study, it is recommended that capital made available for training manpower by firms should be increased so that more manpower will be accommodated in training. Government and policy makers should also come up with tax protection policies for agribusiness based entrepreneurial organizations so as to encourage entrepreneurship in small and medium scale enterprises and, indirectly creating employment for the teeming unemployed and also, increasing the gross domestic product of the country.

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Table 1: **Distribution of agri business based entrepreneurial organizations according to the number of years of existence**

	Firms using primary agribusiness raw inputs		Firms producing agribusiness raw inputs	
Years of existence	Frequency	Percentage	Frequency	Percentage
1-4	5	3.25	19	33.93
5-8	9	56.25	27	48.21
9-12	2	12.5	5	8.93
13-16	-	-	2	3.57
17-20	-	-	1	1.79
21-24	-	-	2	3.57
Total	16	100	56	100

Source: Field Survey

Table 2: **Distribution of agribusiness based entrepreneurial organizations according to number of employees**

	Firms using primary agribusiness raw inputs		Firms producing agribusiness raw inputs	
Number of employees	Frequency	Percentage	Frequency	Percentage
0-9	4	25	45	80.36
10-19	7	43.75	8	14.28
20-29	3	18.75	1	1.78
30-39	1	6.25	-	-

40-49	-	-	2	3.57
50-59	-	-	-	-
60-69	-	-	-	-
70-79	1	6.25	-	-
Total	16	100	56	100

Source: Field Survey

Table 3: Distribution of agribusiness firms according to working condition influence

	Firms using primary agribusiness raw inputs		Firms producing agribusiness raw inputs	
Working condition influence	Frequency	Percentage	Frequency	Percentage
Has influence	16	100	56	100
No influence	-	-	-	-
Total	16	100	56	100

Source: Field Survey

Table 4: Distribution of agribusiness-based entrepreneurial firms according to the types of training offered to employees

	Firms using primary agribusiness raw inputs		Firms producing agribusiness raw inputs	
Types of training	Frequency	Percentage	Frequency	Percentage
Customer service/Relationship	5	31.25	-	-
Catering	3	18.75	-	-

Workshop	2	12.75	-	-
Machine operation	2	12.75	6	10.5
To improve quality of product	1	6.25	5	8.78
Infection control	-	-	3	5.35
Vaccine administration	-	-	7	12.5
Maintenance	-	-	4	7.14
To improve sales	1	6.25	-	-
Cultivation techniques	-	-	10	17.85
To rear snail	-	-	4	7.14
Customer relationship/services	-	-	1	1.78
Harvesting techniques	-	-	5	-
Fertilizer application	-	-	4	-
Sheep rearing	-	-	5	1.78
Others	2	12.75	6	10.7
Total	16	100	56	100

Source: Field Survey

Table 5: Distribution of agribusiness firms according to constraints

Firms using primary agribusiness raw inputs		Firms producing agribusiness raw inputs	
Constraints	Frequency	Percentage	Frequency	Percentage

High cost of input	6	37.5	8	14.28
Strike	5	31.25	1	1.78
Low market/ patronage	11	68.75	20	35.71
Taxation	2	12.5	6	10.71
Lack of fund	6	37.5	20	35.71
Scarcity of skilled labour	-	-	5	8.92
Changing government policies	-	-	1	1.78

Source: Field Survey

Table 6: Testing the significant difference between manpower development and productivity (Pool data analysis)

Variable	X^2	X^2 tab	Df	Decision	Remark
Productivity	66.33	23.7	14	If X^2 cal > X^2 tab, reject Ho and accept Ha, otherwise reject Ha and accept Ho	Significant

Source: Field Survey

Table 6 Results of the estimation of factors affecting manpower development (Pool data analysis)

Variable	Linear	Exponential +	Semi log	Double log
Constant	9817.250	9.811	-525607.5	5.039
	(0.098)	(15.558)***	(-2.036)**	(3.320)***

Location	14807.578	0.018	38559.131	0.041
	(0.323)	(0.062)	(0.721)	(0.129)
Current Debt	-16901.71	-0.116	54188.844	0.384
	(-0.365)	(-0.399)	(1.068)	(1.286)
Taxation	0.960	-5.70E-0.06	4758.029	0.255
	(1.687)*	(-1.594)*	(0.259)	(2.369)*
Years of existence	663.478	0.020	-53165.89	-0.301
	(0.108)	(0.507)	(-1.039)	(-1.000)
Income	0.035	2.14E-007	11696.645	(0.597)
Capital available for training	1720.563	0.031	124598.83	0.936
	(0.927)	(2.621)***	(2.662)***	(3.403)***
Productivity	0.127	12.664	15652.636	0.143
	(2.620)***	(4.167)***	(1.722)***	(2.685)***
R^2	0.712	0.780	0.589	0.739
R^{n2}	0.506	0.499	0.347	0.547
F-ratio	3.662***	5.545***	1.897**	4.307**

Source: Field Survey   + = Lead equation   *= significant at 10%, **= significant at 5%, ***= significant at 1%

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