



POLAC MANAGEMENT REVIEW (PMR)  
DEPARTMENT OF ECONOMICS AND MANAGEMENT SCIENCE  
NIGERIA POLICE ACADEMY, KANO



## INFLUENCE OF EFFECTIVE IMPLEMENTATION OF MANAGEMENT PRACTICES ON SUSTAINABILITY OF SMALL AND MEDIUM ENTERPRISES IN KATSINA STATE, NIGERIA

Mary Dembele	Department of Business Management, Federal University Dutsin – Ma, Katsina State
Oladejo Lukman Gbolagade	Department of Business Management, Federal University Dutsin – Ma, Katsina State
Ruqaiyat Mohammed Ka`oje	Department of Business Administration, Federal University Birnin-Kebbi, Kebbi, State

### Abstract

*This paper assessed how effective implementation of Management Practices reduces SMEs failure and ensures sustainability. A total of four Management Practices were regressed against sustainability of SMEs in Katsina State, using data from a structured questionnaire. The sample size for the study is 309 using Taro Yamane formula. A 53.7% response was achieved from the distributed questionnaires on the respondents ranging from manufacturers, service providers, farmers, marketers, traders and other professions and results were analyzed using Statistical Package for Social Sciences (SPSS). The findings revealed that implementation of Management Practices are key to every achieving longevity of every organisation. Moreover, Staff Empowerment, Staff Training and quality assurance are found to be applicable in the study area, while the level of adoption of technologies by most of the SMEs studied is low and lack of statistics for business failure rate. The study recommends that effective sustainability business plan is necessary for the survival of the SMEs in the Study area and Nigeria as a whole, government of Nigeria should revisit some of the tax laws of value added tax, annual tax returns to help SMEs and business grow without levy stress as well as educating business owners through their various associations in order to create awareness how to apply the studied management practices for sustaining their businesses. Government should make available technology at affordable rates for SMES among others. Proper record keeping of both failed and surviving businesses, these will definitely have positive influence on the growth of the country's GDP, boost, create massive employment, reduce poverty and reverse business failure from 80% to at most 20%.*

**Key words:** Management Practices, Sustainability, SMEs, Business Failure, Sustainable Business Plan

### 1.0 Introduction

Starting up a business is not the problem but the ability of the business to last for long, is the value it creates. Management Practices (MP) for no doubt are made to guide the way work is executed in an organized way for every organisation. Management functions of which are planning, organizing, staffing, coordinating and directing are evolving to manage new organisational and business environment? Importantly, management has changed to become more particular and broader. Environment, workers, quality, customers and contingencies determine the direction of businesses. Management Practices are about the working methods and innovations that managers use to improve effectiveness of work systems, which may include; staff empowerment, Staff training, introducing quality schemes and technology encyclopedia of decision making (2020).

Small and Medium Scale Enterprises (SMEs) according to the Central Bank of Nigeria(2020) through the various circulars and intervention funded programmes generally, defined SMEs as entities with asset base of N500 million and not more than N500 million excluding land and buildings. SMEs in every nation provide most of the goods and services needed for the populace in a nation through their production and workers. This shows how important they are to the government, people they employ and their customers who patronize their products.

Business (SMEs) sustainability has been a worldwide phenomenon which has raised a lot of questions on how to address it and Nigeria is one of such countries in this quagmire. Sustainable business refers to any business that has minimal negative influence or possesses the potentiality of positively impacting the local and global

market environment. It is a business approach to creating a long- term value for the business or organisation for their longevity. Sustainability has been a major concern for many businesses which requires developing forward thinking survival policies and blueprint. Accountability, vision, goal setting, clear objectives imploring modern technology, innovation, solving customers 'needs and making sustainability projection a vital principle in every organisation should be prioritized.

As business failure has become a global fact, which is not just peculiar to Nigeria that calls for urgent concern and knowing full well that no government can provide even just the basic needs of her entire population, talk more of addressing employment demands and also provide a good living standard, plus other personal aspirations of her citizens and legal residents, businesses need to be supported to survive, to reduce the incidence of unemployment, contribute to national income and provide goods and services for her citizens.

Despite the intervention of government by introducing all forms of schemes for Nigeria businesses as bailout funds, the business failure rate is still distressing especially for SMEs. According to Olubiyi (2020), SMEs failure is at 80% every year in Nigeria. Businesses fail at a little turbulence.

Business failure exacts a great threat to the development of any nation as it increase the unemployment rate, poverty, reduces the circulation of goods and services, affects the Gross Domestic Product (GDP)and national development are all affected inversely. There are no catching records online and written to give the exact number of SMEs that have failed in Katsina, especially in the three senatorial zones, which shows that possibly, research has not been undertaken in that area.

Therefore, the general objective of this study is to investigate how effective implementation of Management Practices among SMEs, especially in the study area, can influence the lifelong survival of the SMEs.

The specific objectives are to:

- i. examine to what extent staff empowerment influences SMEs sustainability.
- ii. assess to what extent staff trainingenhances SMEs sustainability.
- iii. determine the effect quality of quality assurance on SMEs sustainability.
- iv. assess the level of technology adoption among SMEs for sustainability.

Management Practices are meant to provide greater output, profitability, performance, competitive advantage, success and innovation. However, empirical studies on the subject matter reveled that no similar study had been conducted on the area of SMEs (business) sustainability in relation to Management Practices in Katsina State. This creates a gap in knowledge, which needs to be filled considering the role of SMEs to the GDP of the Nation as well as the provision of goods and services and the creation of employment.

In the examination of business failure and sustainability achievement in Nigeria, Olubiyi (2020) surmised that if 80% of businesses fail according to Bloomberg, then 20% of new businesses can also scale up through careful strategic planning and sound fiscal management. It is on this scenery that this study hopes to close the gaps by establishing the roadmaps towards sustaining SMEs in Nigeria that combines the traditional methods of managing businesses and effective modern management practices

The study therefore, addresses this gap by looking into the Management Practices in SMEs in the three senatorial zones of Katsina State. Covering the three senatorial zones of (Funtua, Katsina and Daura) ensures adequate coverage of SMEs across economic hubs of the State.

## 2.0 Literature Review

Management practices refer to the working methods and innovations that administrators, policy makers and leaders in organisations apply to improve effectiveness of work systems, which may include; empowering staff, training Staff, introducing schemes for improving quality and application of technology Leunendonk (2017). When Management Practices are implemented, they go a

long way to benefit the organisation. Jarzabkowski (2013) stressed on the importance of strategic management tools for operating an organization. Modern management practices centres on the sound management of public or private resources and effective decision-making, which aims to provide decision makers with integrated financial and non-financial performance information, a sound approach to risk management, appropriate control systems, and a shared set of value and ethics. Management practices help organisations achieve group goals, it harnesses the factors of production optimally, assembles and organizes the resources, integrates the resources in an effective manner to achieve set goals and objectives, through directing group efforts towards achieving of pre-determined goals Dessler (2004), sees management practices as the entity of analytical instrument used in supporting managers execute their task, as something they use in implementing of management concept selected. Evidently, organisations in the developed economy maintained a long - term orientation on goals, continuous improvements and incremental redesigning organisational processes, enhancing innovative behaviour, strengthening relationships with customers and empowering staff Collins and Porras (2002).

Rigby (2001) considers management practices as tools which are defined as a set of concepts, processes and exercises. Newman (2000) puts his focus on short – term goals with the focus on organisational survival, radical changes in operations and behaviour, business process reengineering and further optimization of organisational processes, searching for and eliminating non-value added activities. In business practice, managers utilize management concepts and ideas for the creation and implementation of different management tools and practices as given below.

**Staff Empowerment** is the leverage employees enjoy at a certain level of autonomy and responsibility for decision making in their daily work. This makes them to pave their desired path to success, make their own decision, steps them up and creating a better workplace culture. It helps workers to make on the spot decision,

rather than having every decision go through management. Nadeem *et al* (2018) discovered that a significant relationship exist between employee empowerment and organisational performance. According to Kumar and Kumar (2017), employee empowerment is a motivational strategy that enhances employees' sense of satisfaction towards their work and organisation. Nwachukwu (2016) sees staff empowerment as that which enhances staff participation in decision making, relevant idea generation and execution. Hanaysha (2016), reports that employee empowerment is connected to organisational commitment, while smarp.com (2020) sees staff empowerment as an idea that provides employees with the resources, authority, opportunity and motivation to work well.

**Staff Training** involves short time process of utilizing a systematic and organized procedure, by which employees (mostly non- managerial) acquired needed knowledge and skills for definite purpose. It is a programme approved by a manager or a person of authority in an organisation to provide specific staff members with the necessary skills and knowledge for their current job role. Training helps in better communication, problem-solving, teamwork, presentation, leadership, work ethics, time management and conflict resolution. This could come in form of job rotation, job instructions, committee assignments, internship, case study method, role play, orientation. Dale saw training as the organized procedure by which people learn knowledge and skill for definite purpose. According to Flippo (2020), training is the act of increasing the skills of a particular employee for doing a work.

### **Technology**

Merriam – Webster sees technology as a science or knowledge put into practical use to solve problems or invest useful tools. Applying systematic tools, methods or approaches to solve a problem. Bernard (2018), stressed that internet of things is a key component of industry 4.0 characterized by connected devices. The application of scientific knowledge for practical reasons,

mostly in industries, the importance of technology like internet and industry 4.0 cannot be overemphasized, as seen in the Oxford Learners Dictionary (2014). Anderson and Anderson (2011) sees technology as the idea of things that are created or human made. Industry 4.0 is the digital transformation of production or manufacturing, knowledge economy and related industries and processes of value creation. It is the fourth industrial revolution, using smart devices, large scale machine to machine communication and internet of things integrated for automation, improved communication and self-monitoring and production of smart machines that can analyze and examine issues without the assistance of human intervention for efficiency and effectiveness in organisations.

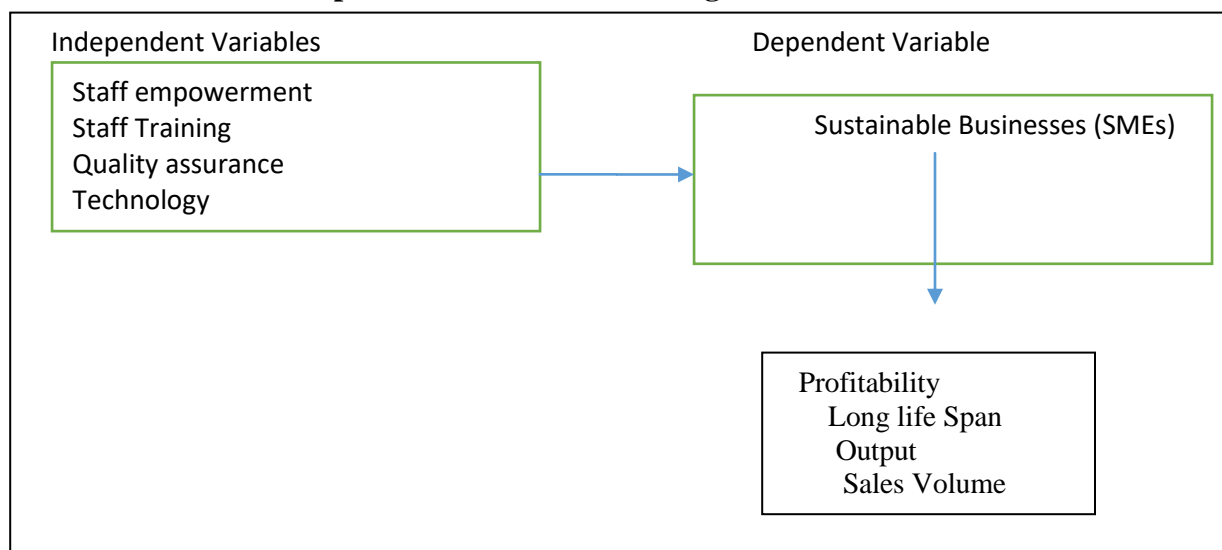
Technology involves innovative interventions and discoveries which are most crucial to the survival of every business. It involves a new idea, product that is introduced into an organisation. Innovation can be referred to as a modern, such as invention, or the practice of developing and introducing new things. It can also be viewed as the adoption, application, and exploration of a value-added novelty to economic and social spheres, renewal and enlargement of outdated procedure. It could be regarded as the creation, development and implementation of a new product, process or service,

with the aim of improving efficiency, effectiveness or competitive advantage, it sparks insight that leads a scientist or inventor to investigate an issue or phenomenon.

### Quality

Merriam – Webster (2020) defined quality as a process of always seeking for excellence, peculiarity and rendering of essential services. This is something that should be non-negotiable. When you ask the producers of peak milk and Coca-Cola which have sustained their businesses, the most important of all, is quality and coupled with harnessing other Management Practices. Though the word quality has a range of perspectives, which reflects the evolution, trends and history and growth stages of quality. Kupper et al 2019; International Standard Organisation 8402 (ISO, 1986) defined quality as the totality of the characteristics of a product or services that contain the requirement to meet an implied need. Quality does not only transient in the physical product alone but the workplace, as a happy workplace and employees are a huge vital asset for every organisation. Quality is the degree to which an object like process, product or service satisfies a specific set of attributes, standards or requirements; it is a conformance to specification.

### Conceptual Framework on Management Practices



**Source:** Researchers, 2021

### **Business Failure**

Business failure is a situation whereby, a company or organisation ceases operations following its inability to make profit and stand competition. Olubiyi (2020) sees business failure as any form of closure, either through bankruptcy, liquidation, prevention of future losses, abandon and re- starting another business and personal choice, such as retirement.

### **List of Failed Companies in Nigeria**

The Bureau of Labour Statistics stated, 25% of businesses in construction and transportation industries fail in the first year, 20% of small businesses with employees fail in the first year, only 15% of businesses in health related services and social assistance related industries fail also in the first year. Interestingly, before a business will fail, there could be some kind of signals like being comfortable with however the business functions, staying disappointed, excessive tax rate in the country, unstable government policies, venturing into other people's passion born businesses, making excuses and accepting what ought not to be accepted and ineffective business roadmap.

Business failure could be averted through proper supervision of cash flow, by creating and implementing a solid business plan, maintaining good customer service, learning from ones competitors, avoiding debt, employing workers with the same vision, studying the environment by applying environmental scanning strategies. The sole proprietorship type of business stands at a high risk of failing because of its nature compared to partnership and limited liability companies.

However, the consequences of business failure to the owners, country where the business failed, customers cannot be overemphasized. The owners will have no income; the nation will have no contribution to GDP, poverty reduction and employment of citizens. According to Bloomberg as reported by Olubiyi (2020), 8 entrepreneurs out of 10 entrepreneurs who commence a business in their first 18 months fail, which is a whopping 80 percent rate of business failure, in Nigeria the

estimated SMEs failure is as many as 80% within the five years of operation, according to STANBIC IBTC findings and experts also corroborate these assertions of 80% business failure in Nigeria as reported by Olubiyi (2020). From punch.com, two hundred and seventy two (272) firms shot down in one year, in 2016, brandspurng.com (2018) some 50 corporations that failed to innovate, is a mindset that puts any company at risk of failure, especially for the smart manufacturing business, predicted 2796 failures by Researchgate (2018). Similarly the Vanguard news 2018 labeled it as the killing of 40 and more companies in Nigeria, Kaduna 100%, North Brewery Ltd, Kano 50%, National Truces Manufacturing Company Ltd- Kano 35%, Nigeria Sugar Company Ltd, Kwara 19.7%, companies continue to leave for Nigeria for Ghana because of liberal investment incentives Agunbiade (2018), Dunlop left Nigeria in 2017. Nigerian Association of Chambers of Commerce Mines and Agriculture (NACCIMA), 800 companies closed in three years.

### **Sustainability**

Sustainability and business sustainability or SMEs sustainability also called as corporate sustainability is the management and coordinating of environmental, social, customer and financial demands and concerns to ensure responsible, ethical and lifelong success of an organisation or business, the Harvard Business School HBS (2020) wrote. Recent surveys of International Chief Executive Officers confirmed that companies increasingly see sustainability as crucial to their business strategy. The introduction of rigorous academic framework for the field of sustainable business in some schools was required to respond to this need now, added Google (2013). According to Mullins (2005) organisations are designed by people to overcome individual limitations and achieve individually, therefore, organisations became a means for the survival of most people and the way they live. He added that the major decider for the survival of any organisation is the presence of capable workforce of men and women with the right technology to combine the organisations



resources to achieve organizational goals and that it is appropriate to recognize that management of companies in Nigeria lack sufficient techniques to live. Mike Barry at the University of Cambridge as a Guest Lecturer on Business Sustainability pointed out that sustainability has reached a critical mass, with world summits and economic forums monitoring issues of resource scarcity and high-risk environmental factors troubling the world population, which the consumer has the power, and becoming the deciding force of change for business sustainable practices, he added that sustainability makes a real business sense just as design, technology and innovation are important for sustainable business, looking into the future. Business sustainability is the ability of a business not to compromise its future existence by the activities of the workers and managers. Business Sustainability may also be referred to as corporate sustainability, refers to the management and coordination of environmental, social and financial demands and concerns to ensure responsible, ethical and ongoing success. Haanaes (2016), viewed sustainability as becoming more important for all companies across all industries, as 62% of executive consider a sustainability strategy necessary to be competitive today, and another 22% think it will be in the future. He also pointed, that sustainability is a business approach to creating long-term value by taking into consideration how a given organisation functions in the ecological, social and economic environment. Suggested a sustainable business model in 2016 to help describe, analyze, manage and communicate a company's sustainable value proposition

to customers and all other stakeholders, how it creates and delivers this value while maintaining regenerating natural, social and economic earnings beyond its organisational boundaries at any point in time.

### **The Small and Medium Scale Enterprises (SMEs)**

The Nigerian Central Bank (CBN), defining SMEs has through their various circulars and intervention funded programmes generally, defined SMEs as entities having asset base of N500 million and not more than N500 million excluding owned land and buildings.

Oyelaran (2020), defined SMEs as businesses having turnover of less than N100million per annum and or less than 300 employees. Also, studies by IFC show that about 96% of businesses in Nigeria are SMEs compared to 53% in the United States and 65% in Europe, SMEs represent almost 90% of the manufacturing and industrial sector in terms of number of enterprises, they contribute approximately 1% of Gross Domestic Product of the Nation compared to 40% in Asian countries and 50% in the US or Europe and SMEs are distributed by clusters in Nigeria. Olubiyi (2020) sees SMEs as businesses employing 1 to 200 staff strength.

Berge et al (2012), described SMEs in accordance to variations in Nigerian Banks, which mostly use the account turnover criteria noting that for small enterprise, the median maximum turnover is N60 million, the 1st quartile is N38 million and the 3rd quartile is N322 million, over five times the median.

### **Some Commercial Banks SME Definition in Nigeria as Shown in the Table Below:**

**Table 1: Maximum turnover Thresholds (N million)**

	<b>Median</b>	<b>1<sup>st</sup> Quartile</b>	<b>3<sup>rd</sup> Quartile</b>
Micro enterprise	10	8	29
Small Enterprise	60	38	322
Medium enterprise	480	200	2,500

Nigeria has an estimated number of 17.4 million SMEs that account for approximately 50% of industrial jobs and about 90% of the manufacturing sector, in the area of enterprises.

TheSMES sectors are the backbone of most developed economies, as well as important contributors to employment, economic, social and export development.

### **Contribution of SMEs to Economic Growth**

Formal SMEs contribute up to 40% of national income (GDP) in emerging economies; these numbers are significantly greater when informal SMEs are included World Bank (WB) report (2020). According to the WB estimates, 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes SMEs development high priority for most governments around the world. In most emerging markets, formal jobs are generated by SMES, which create 7 out of 10 jobs available. Oyelaran (2020), during the International Conference on financial system strategy 2020 pointed in his paper titled; Issues Challenges and Prospects of SMEs that, SMEs are very core part of the Nigerian economy, in countries at the same level of growth with Nigeria, SMEs contribute a much greater proportion to the GDP than currently in Nigeria, compared to other emerging markets, while Nigeria has historically shown lack of commitment to building a strong SME sector, other economies have displayed consistent commitment to the development of SMEs by implementing access to finance and financial incentives, basic and technology infrastructure, adequate legal and regulatory and supervisory framework, and a commitment at building domestic expertise and knowledge, in light of recent events in the Nigerian macroeconomic environment, SMEs have compelling growth potential and like other emerging economies are likely to contribute a significant portion of GDP in the near future if a working framework is established.

### **Positive impact of Small and Medium Scale Enterprises**

In the UK, SMEs create a group of skilled and semi-skilled workers to support future industrial and business expansion in their country. Recently, they employ around 16.3 million people, contributing to 60% of all jobs in the UK.

In Africa SMES contribute two thirds of the continent's formally employed workforce and not supporting SMEs can only add to the waning economic confidence levels to 60% of youth unemployment rate Businesstech (2020).

In Nigeria, SMEs contribute 48% of national GDP, 96% of businesses established and 84% of employment, with

an aggregate number of about 17.4 million, they account for about 50% of industrial jobs and nearly 90% of the manufacturing sector, in terms of number of enterprises. The sector is seen as the backbone of major developed economies, as well as important contributors to employment, economic and export growth.

### **Challenges of Small and Medium Scale Enterprises**

The challenges bedeviling SMEs is access to finance as a key constraint to their growth, it is the second cited obstacle facing SMEs to grow their business in emerging businesses and developing countries, SMES are less likely to be able to obtain bank loans than large firms; instead they rely on cash from friends and family to launch and initially run their enterprises. The international Finance Corporation (IFC) estimates that 65 million firms, or 40% of formal micro, small and medium firms have unmet financial need of \$5.2 trillion every year, which is equivalent to 1.4 times the current level of global MSEM lending. SMEs do not have access to formal credit, a financing gap World Bank Group (2021). The first of a series of survey carried out by Price Waterhouse Coopers, PWC (2020), the Chief Executive Officer reported that challenges impacting the growth of businesses in Nigeria are taxation issues and financial.

The internal problems of SMEs in Nigeria include : inadequate working capital, stiff competition from larger companies, difficulties in sourcing for raw materials, low capacity utilization, lack of management strategies, poor educational background of operators, and huge financial problems while the external inadequate basic infrastructure, socio-cultural problems, strategic problems, inadequate accounting systems, multiple taxation, unstable policy environment. The development Finance Project assist the establishment of the Development Bank of Nigeria (DBN), a whole sale development finance institute that will provide long term financing and partial credit guarantees to eligible finance intermediaries for lending to MSMEs, World Bank Group (2021), money lending not for SMEs.

### **Review of related Empirical Studies**

Business sustainability for a live long success cannot be feasible without the application of effective Management Practices. Olubiyi (2020), the study found out that business sustainability depends on technology, positive communication with employees and customers, strategy to mitigate the predictors of failure, together with sufficient business process review, innovation, and workable risk management strategy which are all Management Practices.

In a related study Iheanachor (2020) opined that to ensure sustainable business practice, cohesive processes, endless upgrading, investor meetings streamlining processes are important. Although everyone in Nigeria hopes to become an entrepreneur only 40% of the dreamers get to commence and not more than 20% survive United Nations Industrial Development (2018) findings, reported by Owoeye (2018).

Similarly, Tereso et al (2018), revealed that most applied project management practices are kick-off meetings, activity lists, progress meetings, Gant charts, baseline plans and suggest that it has become increasingly important for practice of better management practice by having the knowledge of the most accepted used in organisations.

### **Hypotheses**

In this research work, the following hypotheses were formulated and tested:

Ho1: There is no significant relationship between staff empowerment and profitability for sustainable business

Ho2: There is no significant relationship between staff training and output for sustainable business

Ho3: There is no significant relationship between quality assurance and sales volume for sustainable business

Ho4: There is no significant relationship between contribution of technology and output for sustainable business.

### **Theoretical Underpinnings**

Early thinking about management, before the concept of management by Niccodo Machiavelli (1900) to achieve effectiveness and efficiency in organisations, which gave

some principles that can be applicable in organisations today, an organisation is more stable if members have the right to express their differences and solve their conflict, while a single person can begin an organisation, it is sustaining when it is left in the care of many and when many desire to maintain it (sustainability), a weak manager can follow a strong one, but not another weak one and maintain authority, a manager seeking to change on established organisation “ should retain at least a shadow of the ancient customs. The going concern concept in Accounting also buttresses this fact of sustainability.

### **System Theory**

The systems theory was first proposed by a Biologist Ludwig Von Bertalanffy in 1940 and furthered by Ross Ashby (1964). The approach focuses on performance of the entire organisation; it analyzes the entire connections in the organisation that make decisions to enhance the overall organisation or business. The system theory also shows that companies are open to environmental factors that can influence and such as globalization, political instability, economic conditions, demographics, legal requirements, epidemic, insecurity, pandemics and the physical environment that may affect the organisation. Successful organisations must be able to detect, understand and adapt effectively to changes in the external environment to avert its negative consequences.

### **Contingency Theory**

The contingency management theory by Fred Fiedler in 1960 when studying the personality and characteristics of leaders, of general practice that basically says there is no one best way to leadership. Every situation is considered unique. Managers should adapt the theory and practice to match the situation by identifying the key contingencies of the situation. Effective managers should be able to interpret the factors of a situation to determine which approach is more effective to achieving their set goals and objectives.

### **Proposed Sustainable Business Theory (Systigency theory)**



Businesses that have the intention to survive and sustain should use the combination of Management Practices, set clear goals and objectives, state their intentions, infuse knowledge management, have a good leadership and management skills and structure, and have a sustainable plan, apply the combination of contingency and systems theories called Systigency Theory, combining the features of the two theories, because of the fact that the business environment is dynamic and every staff with management, need to work as a team to have a long life business or SME, then know the right environment the business will thrive.

Synergy, building strong organisations (businesses) staff, organisational policies, goals and objectives, intentions and the business environment, stakeholders which plays a vital role also for the lifelong existence of any organisation, strategies and put the unforeseen into consideration. Team work, clear staff empowerment and agreement are very vital to achieving business sustainability. This is to say, businesses that have the intention for sustainability should create a sustainability plan from the idea at the planning stage for sustainability of their business.

### 3.0 Methodology

This study adopted a cross-sectional survey research design. This design is chosen as appropriate for this study because it describes extensively the relationship between variables. The research design was used to obtain information from the target population for the study concerning the current situation of the phenomena through data collection from primary source.

The population for this research study is 1367 SMEs from the three senatorial zones of Katsina State. The sample was determined from the population, using the formula of Taro Yamane at 0.05 level of confidence. The sample size sample size used is 309 of the SMEs. A

**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	F	Sig	Durbin-Watson
1	.645 <sup>a</sup>	.417	.402	28.738	.000 <sup>b</sup>	1.793

Source: Researchers Computation using SPSS v.24

structured questionnaire, consisting of four sections was used to collect the research data. The sections measured the demographics for age group, sex, occupation and tenure of respondents; how effective implementation of Management Practices would enhance Business Sustainability. The combinations of both descriptive and inferential statistics were used to analyze the data gathered from the respondents. Frequencies, percentages, mean, minimum and maximum were used for the descriptive analysis while multiple regression techniques adopted to assess the effect of Management Practices on Sustaining Businesses. The response rate for the questionnaire is approximately 54%

Considering the objectives of this study and the nature of research the multiple regression technique was used to find the strength of the relationship between two variables that is, the effect of the implementation of Management Practices for business sustainability using International Business Machine Statistical Products and Services Solution (SPSS). In addition, the tests for validity carried out in this study are content and face validity. This became necessary to ensure that the questionnaire as the main instrument for data collection is consistent with the construct they relate to. This is achieved by the combination of engaging experts from academic and professional world as well as conducting a comprehensive literature review resulting in the selection of items utilized. Cronbach alpha was used to test for the reliability of the instrument. A Cronbach alpha of at least 0.70 and 0.5 and 0.01 levels were adjudged as adequate.

### 4.0 Results and Discussions of findings

#### Test of Hypotheses

a and b Predictors: (Constant), Quality, Technology, Staff Empowerment, Staff Training

The coefficient of determination  $R^2$  reads 0.417 indicating a strong explanatory power of the explanatory variables on the dependent variable. This implies that 41.7% variance of the dependent variable (sustainable business) being studied is explained by the variance of the independent variables (staff empowerment, staff training, quality and technology). The value of F-statistic

reads 28.738 indicating that overall model is statistically significant as revealed also by its probability value =0.0000 ( $p < 0.05$ ).

More so, the Durbin-Watson (D-W) statistic test tells us the autocorrelation in the residuals from a statistical model. According to Kenton (2021) a value range around 2.0 indicates absence of autocorrelation in the sample. Table 3 shows a D-W test value of 1.793 implying absence of autocorrelation among residuals.

**Table 3: Correlation Matrix**

		Staff Empowerment	Staff Training	Quality	Technology
Staff Empowerment	Pearson Correlation	1	.412**	.312**	.147
	Sig. (2-tailed)		.000	.000	.059
Staff Training	Pearson Correlation	.412**	1	.159*	.382**
	Sig. (2-tailed)	.000		.040	.000
Quality	Pearson Correlation	.312**	.159*	1	.147
	Sig. (2-tailed)	.000	.040		.059
Technology	Pearson Correlation	.147	.382**	.147	1
	Sig. (2-tailed)	.059	.000	.059	

Source: Researchers Computation Using SPSS v.24 (2021)

\*\* (\*) indicates significance at 1% and 5% levels respectively

Table 3 shows that no two explanatory variables with a negative  $r$  statistic. Pairwise correlation among independent variables might be high (in absolute value) to show collinearity issues. The rule of thumb considers

correlation greater than 0.8 with a severe multicollinearity. However, table 2 shows no two independent variables having a correlation coefficient above 0.8, implying the absence of multicollinearity in the model.

**Table 4: VIF and Tolerance Values of the Independent Variables**

Independent Variables	Tolerance	VIF
Staff Empowerment	.766	1.305
Staff Training	.724	1.381
Quality	.892	1.121
Technology	.845	1.183

Source: Researchers Computation Using SPSS v.24

According to Garson (2006), suggest the rule of thumb is that when VIF is greater than 4.0, multi-collinearity is a concern. However, more lenient cut-off of points was used in application; for example, Dielman (2001) uses 10 as the cut off points limit. O'Brien (2007) indicate the most common rule of thumb for a VIF is 10, which is regarded by many researchers as a sign of severe or

serious multicollinearity problems (O'Brien, 2007). Myers (1990) also shared the similar view that if average VIF is greater than 10, then multicollinearity may affect the least-squares estimates of the regression coefficient, Conversely, VIF values below 10 indicate that multicollinearity is not a problem (Myers, 1990).

The Condition Index Garson (2007) suggests a condition index which uses square roots of the ratio of the largest eigenvalues to each other eigenvalue as an alternative approach to detect multicollinearity in data. Many researchers suggest condition indices over 15 indicate possible multicollinearity problems and over 30 indicate serious multicollinearity problems (Amiama, Bueno, and Álvarez, 2008; Garson, 2007; Joshua, 2008). However, Belsley, Kuh and Welsch (1980) argued that condition index values greater than 30 do not necessarily indicate problematic multicollinearity. William (2008) argued

there is still no clear cutoff criterion for condition index to evaluate multicollinearity. Therefore, it is suggested to consider a condition index as a reference (William, 2008).

Thus, from table 4, it was revealed that VIF values are less than 10 while the tolerance values are more than .10 indicating the absence of multicollinearity among independent variables.

### Regression Results

**Table 4: Regression Coefficient Table**  
Dependent Variable: Sustainable Business

	<b>Coefficient</b>	<b>Std. Error</b>	<b>t-statistic</b>	<b>Prob.</b>
(Constant)	-.046	.409	-.111	.912
Staff Empowerment	.442	.082	5.420	.000
Staff Training	.300	.082	3.680	.000
Quality	.177	.064	2.789	.006
Technology	.082	.058	1.421	.157

**Source: Researchers Computation using SPSS v.24**

The result above revealed that, holding the other explanatory variables constant, Sustainable business on average will be -0.046. However, the result shows that there exist a positive and statistically significant between Staff empowerment and sustainable business, with corresponding p-value coefficient ( $p < .05$ ), the coefficient of staff empowerment of .442 indicates that a 1 percent increase in level of staff empowerment is positively associated with .442 percent increase in business sustainability. The result also shows that there is a positive and statistically significant impact of Staff Training and Quality on Sustainability of Business with the corresponding p-value  $< 0.05$  i.e. 0.000 and 0.006 respectively. The result indicates Technology has positive but statistically insignificant impact on sustainable business with corresponding statistical significant p-value  $> 0.5$  i.e. 0.157.

The implication of these findings is that promoting or applying technology will not significantly impact the sustainability of businesses; however a unit increase in

staff empowerment, staff training and quality will reflect positively on sustainable SMEs or Businesses.

### Hypothesis Testing

**Ho1:** There is no significant relationship between staff empowerment and profitability for sustainable business. From the regression result above the null hypothesis would be rejected as P value is less than 0.05 that is 0.000. This implies that there is a significant relationship between staff empowerment and profitability for sustainable business.

**Ho2:** There is no significant relationship between staff training and output for sustainable business. From the regression result the null hypothesis would also be rejected subjecting to the P value above 0.05. This translates that there is a relationship between staff empowerment and output for sustainable business.

**Ho3:** There is no significant relationship between quality assurance and sales volume for sustainable business. The sig value for Quality from the regression coefficient table is 0.006, thus null hypothesis would be rejected

**Ho4:** There is no significant relationship contribution of technology and output for sustainable business.

From the above regression result table 4, it shows a P value of 0.157, thus null hypothesis there is no significant relationship contribution of technology and output for sustainable business.

### **Discussion of Findings**

Businesses (SMEs) contribute up to 48% to Nigerian GDP, Management practices are employed indigenously which are not followed formerly mostly by farmers and traders covered by this study. On another hand the businesses in the manufacturing and services saw the application of technology very necessary for executing their jobs effectively and efficiently. The results from the findings revealed that management practices of Staff empowerment are much more needed in organisations, followed by the quality of products and services; staff training was also found significant and had a positive relationship with sustaining a business. The application of technology was found to be negative, this could be as a result of the SMEs studied, the influence of environment which may not have necessitated the application of technology in most of the SMEs studied as revealed from the test of hypotheses.

Findings of this study above conforms with the findings of Swartz and Smith (2011), Tijjani (2015) and Samuel (2012) who posit that Staff training and quality of products and services play a paramount role in business sustainability. This is indeed true, because, having incompetent staff and poor quality of products and services would reflect negatively on business growth; instead, it depends on one's competence, level of quality and empowerment of staffs among others. Sample size of the SMEs 309, if used may give a higher influence of more than 41% from the results computed. This implies that Management Practices are very important in every organisation, whether big or small. Some of the SMEs surveyed, rely on the systems theory which is the underpinning theory for this study and helped them to work as a team, achieving greater productivity, efficiency and time management while the contingency theory was indirectly applied by some of the businesses

surveyed, that helped them avoid going out of business extinct.

## **5.0 Conclusion**

The rate of business failure in Nigeria can be reduced to have an 80% survival rate for the startups and 20% which is a problem and if reversed to a higher survival rate than failure, this could impact positively on the GDP and the standard of living of Nigerians would be improve. Business failure poses a great threat to the development of any nation as the unemployment rate, poverty, Gross Domestic Product (GDP) and national development will be affected negatively. There are no records online or printed documentations to give the record or list of SMEs that have failed in Katsina State, especially in the three senatorial zones studied, which shows that possibly research has not been undertaken in that area. Thus, this study examines the effective implication of management practices and sustainable SMEs in Katsina State, Nigeria.

The study adopted a qualitative research approach eliciting primary data from the study area; the data collected was subjected to diagnostic test to affirm assumptions, and further to regression analysis. Conclusively, the findings of the study showed that empowerment of staff in an organization plays a vital role in the sustainability of businesses (SMEs) as well, it was also revealed that staff training boost competence among staff in organisations resulting in higher output in general. Also, it was statistically proven that, promotion of quality of product and services increases organizations sales volume. However, technology was found not to have any significant effect on sustainable business in the study area this may be due to the nature of their SMEs studied and unfavorable environment for technological applications.

### **5.1 Practical Implication**

In terms of practical implications, the importance, adoption and effect of management practices from the empirical literature, tested hypotheses, practical applications in Nigerian SMEs and conceptual literature could serve as future guideline for implementation of

management practices in Nigerian businesses or SMEs and other organisations and managers of such organisations. If staff are empowered, trained and delegated to do task even when their supervisor is not there, with proper technology, definitely businesses will be sustained. Also calls for Katsina State to apply technology in SMEs.

## 5.2 Recommendation

Following the findings of the study, the following recommendations are proffered;

- Business Plan is necessary for every business in Nigeria, it provides a road map to success for business, development and holding on to a well-documented business plans under due diligence can ensure higher survival rate of businesses in Nigeria. Therefore, Business Plan is necessary for every business in Nigeria. Sustainable Business Plan in the form of having the content of longevity of the business, strategies necessary for the business to sustain, the number of quality of staff needed and how often it should be reviewed, projected financial requirements and innovation needed to keep alive SMEs are necessary for SMEs and every business in Nigeria.
- It is recommended that Government should revisit some of the tax laws of value added tax from 7.5% to 3.5%, to reduce the tax burden on the consumers who no longer have a high purchasing power and resulted to low demand of goods and services, which is supported by the law of demand in Economics and annual returns for SMEs be at N2000 instead of N4000 being charged now against N1000 charged as at January 2020 to help business grow without levy stress.
- Proper education and enlightenment cushion and develop positive entrepreneurship or business mindset. Hence, educating business owners through their various associations is necessary to create awareness on how to sustain their businesses.
- Government should provide a favorable environment for proper adoption and utilization of technological advancement for sustaining businesses by emphasizing on innovation and technology support.
- Businesses should work as a system and prepare for the unknown and government should help in providing technology and educating the SMEs on its importance and educating them on how to apply.
- The application of the proposed model or theory (Systigency) by the researcher together with the management practices, if well harnessed could help achieve efficiency and effectiveness leading to sustainable businesses. It will also help business managers to have a handbook for sustainable SMEs to aid the management practices of the organisation, which will serve as a roadmap; deviations could be corrected and where necessary, additions could be made, to achieve the set goals and objectives of the organisation.

## References

- Agunbiade (2018). Why companies will continue to leave for Ghana. Proshare publishers
- Akinmade C. T (2019) Policies, practices and challenges of science and technology education in alumni adoption of strategy tools. Journal of Management Inquiry 22(1), 4-20 Fab Amieh Nigeria Limited
- Andrew R. (2011) Strategy implementation and public service performance, Administration
- Armbruster T. (2005) Management and organisation in Germany. Hampshire: <http://wwwresearchgate.com>
- Berg et al (2012) Definition of Small and Medium Enterprises. *Unpublished*
- Bernard M. (2018). Why everyone must get ready for the 4<sup>th</sup> industrial revolution, Forbes retrieved



- Borgmann A. (2006) Technology as cultural Force. The Canadian Journal of Sociology catching up and well- developed economies, journal of scientific research Solveniak
- Central Bank of Nigeria (2020) Annual Report
- Collins, J and Porras J. I (2002) Built to last: Successful habits of visionary Companies. New York , NY: Haper Collins Publishers
- Dessler G. (2004). Management: Principles and Practices for tomorrow's leaders. Upper Saddle Upper saddled Review, N J. Printice. Hall
- Drucker P. (1997). Looking ahead: implications the present. Harvard Business .p 18-32 Editions [www.google.com/retrieved, 11109/2013](http://www.google.com/retrieved,11109/2013)
- Flippo E.B (2020), Personnel Management, New York McGraw Hill; 6<sup>th</sup> edition, 1984Aswathappan K. humanresources andPersonnelManagement, New Delhi: Tata McGraw- Hill Publishing Company Limited. P. 189
- Haanaes K. (2016) Sustainability nears triple point <http://www.google.com,journal of sagepub.com>
- Hanaysha, J. (2016) Examining the effects of employee empowerment, Teamwork and employee training on organizational commitment. 5<sup>th</sup> international conference on Leadership, Technology, Innovation and business management Procedia-social and behavioral sciences. 298-30.
- Hrebiniak, L. G (2005), Making Strategy Work: leading effective execution and change Macmillan. New York
- Iheanachor N. J. (2020) Sustainable business practices by Nigerian organisations doi:10.5772/intechopen.93834
- Jarzabkowski, P., (2013).”We don’t need education” or do we? Management education and Journal of Economics (2018). Effects of insecurity on Economic Growth in Nigeria 22(1) 4-23
- Kaplan R.S., & Norton, D.P (2008). Mastering the Management System. Harvard Business
- Kotler P. (1984) Marketing management: analysis, planning, implementation and control. [www.onlinertireval](http://www.onlinertireval)
- Kumar. P and Kumar, A. A (2017). Employee Empowerment- an empirical study. Global journal of management and Business: Administration Management, 17(4), 59-64. Management Review, 25(2), 602
- Kupper et al (1984)
- Leunendonk M. (2017). Defining managementpractices, retrieved online 2021from cleverism
- McDonough, J. et al (2020). “What can digitization do for formulated product innovation and development 248-255? doi 10.1002/pi.6056
- Merriam W. (2020), definition by Merriam- Webster. Available online:<https://www.merriam-webster.com/dictionary> (accessed October 2021)
- Moore M. (2019). What is Industry 4.0? Everything you need to know
- Mullins (2013). Management and organisational behaviour. London: FT Publishing international
- Nadeem et al (2018) Journal of African and Asian studies, the effect of employees’ empowerment on organisational performance

Newman, K. L (2000). Organisational transformation during institutional upheaval. Academy of Management Review, 25, (3), 600

Nwachukwu, C., (2016). The impact of Performance Management and employee empowerment on organizational culture on selected Banks in Nigeria. Ekonomina a Management p2.

Olubiyi T. (2020), overcoming business failure concerns online, retrieved 0911912015

[https://businessday.ng  
www.jstor.org/stable/4/500007\)](https://businessday.ng/www.jstor.org/stable/4/500007)

Owoeye .F. (2018). A tale of seven startups that failed in

Nigeria

Oyelaran .B. O. (2020) SME: The Challenges and conference

Prospects paper presented at an international

Premium times report (2012), 800 companies shut down  
Prentice- Hall Englewood Cliff NJ Publishing Limited.

in 3 years says NACCIMA

Raghavan, V.R (2007). Challenges of global security. Pakistan Horizon Vol 60 (3) pp. 23-39  
Review, 86(1)162-77

Rigby (2001). Management tools and techniques. A SMEDAN report 2020<http://www.googlesearch>

survey of Californian Management review

Strategic Intelligence (2020) - World Economic Forum. Archived from the original to join the Tereso et al (2018). Project management practices in private organisations

Thompson. A (2003). Strategic management: Concepts and cases New York. Mc Graw- Hill  
York, NY; Harper Collins  
Publishers