

## **INFLUENCES OF ENTREPRENEURIAL TRAINING ON COOPERATIVE BUSINESS ENTERPRISE.**

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### **ABSTRACT**

This study investigated the influences of Entrepreneurial training on Cooperative Business Enterprise. Given the complexity and rapid changing business environment in which business organisations operate, the need for scheduled training is not debatable. Any organization not promoting learning through training and retraining will definitely have limited performance in all areas. The specific objective of the study is to determine the influences of entrepreneurial training on cooperative business enterprise. Data for this study was collected through the primary source; that is through questionnaires. The questionnaire item was administered to one hundred and seventy-four (174) members of selected cooperative societies in Enugu Metropolis, Enugu. The analysis shows that since  $Z_{\text{calculated}} = 0.424 < Z_{\text{critical}} = 1.96$  (at 95% level of Significance), and with the asymptotic significance value of  $0.962 > 0.05$ , the null hypothesis was accepted. Therefore, the findings of this study established that there are no significant influences of entrepreneurial trainings on the performance of cooperative business enterprise in Enugu Metropolis. Based on findings it was recommended that cooperative professionals should help disabuse the minds of cooperative practitioner from relying on government based trainings as well as organize entrepreneurial trainings for cooperative societies within their domain, tailored to skill sets unique to such environment as a comparative advantage to survival.

**Keywords:** Entrepreneurial training, Cooperative Business Enterprise, Cooperative Society.

### **INTRODUCTION**

Given the complexity and rapid changing business environment in which business organisations operate, the need for schedule training is not debatable. Any

organization not promoting learning through training and retraining will definitely have limited performance in all areas. According Diana Bratić (2009) citing Jack Welch “an organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage”. The ability to learn and translate is a function of training and how it is impacted. Therefore, training is important. This position is buttressed by Mozael (2015) stating that training and development have become one of the necessary functions in most organizations, because they lead to high performance in the same field and are important part of human resource department, it has a significant effect on the success of an organization through improving employee performance.

Armstrong (2001) defines training as the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience. He further asserts that the fundamental aim of training is to help the enterprise achieve its purpose by adding value to its key resource – the people it employs. This key resource (employees) by training get targeted increase in capacity to handle organizational pursuits, which include starting new businesses as well as expanding or innovating existing ones called entrepreneurial training.

Haan (2006) further asserts that entrepreneurship training and educational programs help develop attitudes favourable to starting one’s own business and also provide knowledge and skills for running a business like; business law, accounting and bookkeeping, credit and finance, and marketing. Skills development encompasses a wide range of basic areas such as leadership, communication, managerial and financial that is important for business growth and productivity.

To understand the cooperative business enterprise, it is necessary that the statement on the cooperative identity is explained. According to Okonkwo (2018), I.C.A produced formally what they called “Statement on the Cooperative Identity”, composed of three elements: a definition of Co-operation, a list of the Movement’s key values; and a list of seven Cooperative Principles.

The International Co-operative Alliance (ICA) defines Cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise, (Retrieved 11 April 2017). Cooperative's key values are based on the values of self help; democracy; equality; equity and solidarity. The cooperative members believe in the ethical values of honesty; openness; social responsibility and caring for others.

Cooperatives business enterprise can be distinguished from capitalist enterprises primarily by differences in the ownership structure and the manner in which their objectives are defined and controlled and the way of doing business. The cooperative business model has enshrined in its principle, continuous training and education for members as well as employees. This is so to ensure that constant updates to the changing business environment are learnt and implemented. Issues like capital, leadership, investments, decision making and so on has bedeviled cooperatives over the years and can be significant factors to productivity and sustainability.

It is against this backdrop that this study is carried out to determine the influences of entrepreneurial training on cooperative business enterprise. Sequel to this, the study hypothesized that entrepreneurial training has significant influence on cooperative business enterprise.

## **CONCEPTUAL REVIEW**

### **CONCEPT OF ENTREPRENEURIAL TRAINING**

Entrepreneurship as a concept has elicited various views from scholars. Some scholars asserting that entrepreneurs are born, therefore to such, entrepreneurship is a natural process while some that oppose to this view, state that entrepreneurs are made not born. To the later, entrepreneurship training is a necessity. However, the need to improve cannot be downplayed therefore entrepreneurship training is important.

In recent years; researchers, academicians, stakeholders and policy makers consider entrepreneurship training important given the increasing and unprecedented demand for alternative means of engagement to tackle unemployment. Sequel to this, Kirby (2004) describes entrepreneurship training and education as activities aimed at developing enterprising or entrepreneurial people and increasing their understanding and knowledge about entrepreneurship and enterprise.

Also, Gottleib and Ross (1997) define entrepreneurship education in terms of creativity and innovation applied to social, governmental, and business arenas. They further posit that entrepreneurship education in its broader sense comprises of skills that can be taught and characteristics that can be engendered in students that can help them develop new and innovative plans. Key characteristics of entrepreneurship education include; innovation, fostering leadership, organizational building, risk taking abilities, creation and operation of an enterprise, strong positive orientation towards growth, knowledge and employment.

## **CONCEPT OF COOPERATIVE BUSINESS ENTERPRISE**

According to Okonkwo (2018) citing Onoh (2007) cooperative is a union made up of a group of people and an enterprise. He further described it as a group of people with common goals, who run an enterprise in order to achieve their aim and objectives. He submitted that, there is no cooperative without a group of persons and an enterprise through which they achieve their aim.

Cooperative societies are simply a formalized and legal association of persons with commonly felt needs associating together to solve their problems through a jointly owned enterprise, (Okonkwo, 2018).

From an international perspective the International Labour Organization (ILO) defines a cooperative as an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization making equitable contributions to the capital required and accepting a

fair share of the risks and benefit of the undertaking in which the members actively participate.

## THEORITICAL FRAMEWORK

Considering the nature of this study, it becomes pertinent to highlight the entrepreneurship theories from varying perspective so as to explain its relevance to the cooperative business enterprise. Major entrepreneurship theories have their roots in economics, psychology, sociology, anthropology, and management. The multidisciplinary nature of entrepreneurship makes its application appropriate for cooperatives.

### *Sociological Entrepreneurship Theory*

According to Kwabena (2011) citing Landstrom (1998), the sociological theory is based on the premise that the sociological enterprise focuses on the social context. This means that, in the sociological theories the level of analysis is traditionally the society. Kwabena (2011) went further highlighting four identified social contexts that relates to entrepreneurial opportunity.

According to him, the first one is social networks. Here, the focus is on building social relationships and bonds that promote trust and not opportunism. In other words, the entrepreneur should not take undue advantage of people to be successful; rather success comes as a result of keeping faith with the people.

The second he called the life course stage context which involves analyzing the life situations and characteristic of individuals who have decided to become entrepreneurs. The experiences of people could influence their thought and action so they want to do something meaningful with their lives.

The third context is ethnic identification. One's sociological background is one of the decisive "push" factors to become an entrepreneur. For example, the social background of a person determines how far he/she can go. Marginalized groups may

violate all obstacles and strive for success, spurred on by their disadvantaged background to make life better.

The fourth social context is called population ecology. The idea is that environmental factors play an important role in the survival of businesses. The political system, government legislation, customers, employees and competition are some of the environmental factors that may have an impact on survival of new venture or the success of the entrepreneur.

This theory is relevant to the cooperative business enterprise in that the four social contexts are foundational aspects upon which the cooperative business enterprise strives.

### *Opportunity-Based Entrepreneurship Theory*

According to Kwabena (2011) the opportunity-based theory is linked to names such as Peter Drucker and Howard Stevenson. While citing Fiet, (2002); Shane, (2000); Drucker, (1985), Kwabena (2011) describes an opportunity-based approach provides a wide-ranging conceptual framework for entrepreneurship research, in that entrepreneurs do not cause change but exploit the opportunities that change (in technology, consumer preferences etc.) creates. He further says that, “This defines entrepreneur and entrepreneurship, the entrepreneur always searches for change, responds to it, and exploits it as an opportunity”. What is apparent in Drucker’s opportunity construct is that entrepreneurs have an eye more for possibilities created by change than the problems. Stevenson (1990) extends Drucker’s opportunity-based construct to include resourcefulness. This is based on research to determine the differences between entrepreneurial management and administrative management.

This theory is relevant to the cooperative business enterprise, in that the business model operated by cooperative often are based on areas of common interest, meaning members search for each other based on commonly based problem or interest and through their cooperative sort to satisfy or ameliorate this commonly felt issue. Another relevance of this theory to the cooperative business enterprise is the fact; that

entrepreneur seeks out changes and exploits such opportunities. Such findings can benefit members if the information is transmitted through a learning process.

## ANALYSIS

Data for this study was collected from the primary source through the instrument of questionnaire. The questionnaire item was administered to one hundred and seventy-four (174) members of selected cooperative societies in Enugu Metropolis, Enugu State, Nigeria. The data for the study is presented in the table below and was analyzed with non parametric chi-square statistics.

### *To examine the influence of Entrepreneurial trainings on the performance of cooperative business enterprise*

The researcher analysed the respondents' opinion on questionnaire items in Likert-Scale format. The options available for the respondents were strongly disagree (SD), disagree (D), undecided (U), agree (A) and strongly agree (SA).

**Table 1: During the past year, I have received refresher training on how to perform my job well.**

| Options                             | SA<br>(5) | A<br>(4) | U<br>(3) | D<br>(2) | SD<br>(1) | Total  | Mean<br>(x) |
|-------------------------------------|-----------|----------|----------|----------|-----------|--------|-------------|
| Frequency of response (F)           | 16        | 34       | 25       | 74       | 25        | 174    |             |
| Weighted frequency of Response (Fx) | 80        | 136      | 75       | 148      | 25        | 464    | 2.67        |
| Percentage Response                 | 9.2       | 19.5     | 14.4     | 42.5     | 14.4      | 100.00 |             |

*Source: Field Survey, 2018.*

## Decision Rule

If mean < 2.50, the respondents disagree

If  $3.50 > \text{mean } (\bar{x}) \geq 2.50$ , the respondents are undecided

If  $\text{mean}(\bar{x}) \geq 3.50$ , the respondents agree

Table 1 outlines the respondents' view on the Likert- scale statement and the sample mean. 16(9.2%) of the respondents were in strong agreement that during the past year, they have received refresher training on how they perform their job well, 19.5% representing 34 of the respondents agreed, 25(14.4%) of them were undecided, 74(42.5%) merely disagreed while 25(14.4%) strongly disagreed. The calculated sample mean is 2.67. This result shows that most of the respondents are undecided that during the past year, they have received refresher training on how they perform their job well.

**Table 2: In the past year I had the opportunity to grow and learn entrepreneurial skills.**

| Options                             | SA<br>(5) | A<br>(4) | U<br>(3) | D<br>(2) | SD<br>(1) | Total  | Mean<br>(x) |
|-------------------------------------|-----------|----------|----------|----------|-----------|--------|-------------|
| Frequency of response (F)           | 52        | 84       | 18       | 11       | 9         | 174    |             |
| Weighted frequency of Response (Fx) | 260       | 336      | 54       | 22       | 9         | 681    | 3.91        |
| Percentage Response                 | 29.9      | 48.3     | 10.3     | 6.3      | 5.2       | 100.00 |             |

*Source: Field Survey, 2018.*

### Decision Rule

If mean < 2.50, the respondents disagree

If  $3.50 > \text{mean } (\bar{x}) \geq 2.50$ , the respondents are undecided

If  $\text{mean}(\bar{x}) \geq 3.50$ , the respondents agree

Table 2 outlines the respondents' view on the Likert- scale statement and the sample mean 52(29.9%) of the respondents were in strong agreement that during the past year they had the opportunity to grow and learn, 48.3% representing 84 of the respondents agreed, 18(10.3%) of them were undecided, 11(6.5%) merely disagreed while 9(5.2%) strongly disagreed. The calculated sample mean is 3.91. This result



shows that most of the respondents agree that during the past year they have had the opportunity to grow and learn entrepreneurial skills.

**Table 3: In the past year I attended conferences related to what I do at work.**

| Options                             | SA<br>(5) | A<br>(4) | U<br>(3) | D<br>(2) | SD<br>(1) | Total | Mean<br>(x) |
|-------------------------------------|-----------|----------|----------|----------|-----------|-------|-------------|
| Frequency of response (F)           | 37        | 70       | 22       | 31       | 14        | 174   |             |
| Weighted frequency of Response (Fx) | 185       | 280      | 66       | 62       | 14        | 607   | 3.48        |
| Percentage Response                 | 21.3      | 40.2     | 12.6     | 17.8     | 8.0       | 100   |             |

*Source: Field Survey, 2018.*

### Decision Rule

If mean < 2.50, the respondents disagree

If  $3.50 > \text{mean } (\bar{x}) \geq 2.50$ , the respondents are undecided

If  $\text{mean}(\bar{x}) \geq 3.50$ , the respondents agree

Table 3 outlines the respondents' view on the Likert- scale statement and the sample mean. 37(21.3%) of the respondents were in strong agreement that in the past year they attended conferences related to what they do at work, 40.2% representing 70 of the respondents agreed, 22(12.6%) of them were undecided, 31(17.8%) merely disagreed while 14(8%) strongly disagreed. The calculated sample mean is 3.48. This result shows that most of the respondents are undecided that in the past year they attended conferences related to what they do at work.

**Hypothesis:** Entrepreneurial trainings have significance influence on the performance of cooperative business enterprise.

Using the summary of the data from tables 1 – 3 on the respondents' opinion to Likert-scale structured questionnaire items which addressed research objective one, hypothesis one was tested with anon-parametric z-test statistic.

**Table 4.4.4**  
**One sample Kolmogorov – Smirnov Test**

Descriptive statistics

|                              | N   | Mean   | Std.<br>Deviation | Minimum | Maximum |
|------------------------------|-----|--------|-------------------|---------|---------|
| Mean response for Item 1 – 3 | 522 | 3.3533 | 0.62963           | 1.00    | 5.00    |

**One sample Kolmogorov – Smirnov Test**

|                                  | Mean response for item 1 - 5 |
|----------------------------------|------------------------------|
| N                                | 522                          |
| Normal Mean                      | 3.3533                       |
| Parameters <sup>a....b</sup> Std | 0.6296                       |
| Deviation                        |                              |
| Most Extreme Absolute            | .187                         |
| Differences Positive             | .118                         |
| Negative                         | -.187                        |
| Kolmogorov – Smirnov Z           | 0.424                        |
| Asymp. Sig. (2 – tailed)         | .962                         |

a. Test distribution is Normal.

b. Calculated from data.

### Decision Rule

If  $Z_{\text{calculated}} > Z_{\text{critical}}$ , reject the null hypothesis and accept alternate hypothesis accordingly, otherwise accept the null hypothesis and reject alternate hypothesis accordingly.

### Decision

Since  $Z_{\text{calculated}} = 0.424 < Z_{\text{critical}} = 1.96$  (at 95% level of Significance), and with the asymptotic significance value of  $0.962 > 0.05$ , the null hypothesis is accepted, and the alternate hypothesis rejected accordingly. Thus, there are no significant influences of entrepreneurial trainings on the performance of cooperative business enterprise in Enugu.

### CONCLUSION

In conclusion, from the analysis and findings of this study, it is established that there is no significant influence of entrepreneurial trainings on the performance of selected cooperative business enterprise in Enugu Metropolis. This means that the entrepreneurial trainings were either insignificant to influence or not relevant to affect performance of the cooperative business enterprise of cooperative societies studied.

Based on this finding and conclusion, the following recommendations are proffered; cooperative societies should disabuse their minds from stereotyped thinking that government is the only agent that provides training for cooperative societies. On the other hand, government agencies in charge of cooperative development should encourage public-private partnership in the training and development function which it is supposed to provide for cooperative societies and has basically failed for years now. Finally, we recommend cooperative professionals to organize entrepreneurial trainings for cooperative societies within their domain, tailored to skill sets unique to such environment as a comparative advantage to survival.

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