

**Business Training  
Inputs And Resultant  
Competencies: The  
Dichotomy Effects**

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**ABSTRACT**

Business training is a key intervention mechanism for building competencies of business trainees which have yielded satisfactory results around the world. Efforts to enhance business competencies of youths, women and self-help groups in Marsabit Central and Marsabit South Sub-Counties had mix results. The youth development index and gender equality index were below the national indices of 0.58 and 0.65 respectively. The study areas also have unemployment rate of 65% among the youths and women. Subsequent study showed that about 50% of all business trainers have not trained their trainees in basic business management areas while 35.5% of the business trainees did not received any repeat training. It was further established that generally the training input did not have significant effect on the business competencies of the trainees. However, sourcing of funds, business communication, and product/service selling had some significant effects on the trainees. Generally, these results depict that training inputs have not significantly enhanced the business competencies of the trainees in the study areas. These imply that there could be internal or external training programme factors that may have contributed to such low business competence transfer.

**Key words:** Systematic Training Cycle, Training Inputs, Business Competence

**1. BACKGROUND OF THE STUDY**

Business training and development initiatives have yielded varying results in terms of trainees` competence improvement depending on types of training inputs and methodologies. Experiences from Sub-Saharan Africa (SSA) have had mixture of approaches and results. Further, success of these programmes could not be empirically verified in SSA because of inappropriate programmes` evaluation systems and lack of information on levels of competency transfer as a result of training inputs given (Bowen, Morara, & Mureithi, 2009). These concern raised the question of whether the business trainers competently delivered training inputs and whether the training inputs had any improvement on business competencies of the trainees.

In Ghana, Malawi and Ethiopia business trainers concluded that success of youth and women enterprises largely depended on improving the beneficiary business skills through training inputs and by increasing their access to market opportunities for local businesses (Gracia & Jean, 2008). Access to market opportunities scaled up the learning curve and resulted into enhanced business culture and improved incomes (Aids for Africa, 2010). However, the effort to boost youth and women enterprises were bedeviled by the trainee`s inability to utilize the available local resources (World Bank Institute, 2009). Conventionally, research associate such resultant weaknesses with poor transfer of competencies arising either from internal or external learning sources (Kohli & Deb, 2008).

The study area which was Marsabit County of Kenya was one of the key beneficiaries of the Government and Non-Governmental Organization (NGOs) entrepreneurial development support for the youths and women

groups. The Government and NGOs have given youths, women and self-help group loans to promote entrepreneurial initiatives in County. The loan disbursements to the youths and women groups were preceded by some forms of basic business trainings inputs to help the beneficiaries utilize the finances efficiently (GoK, 2012).

### **1.1 STATEMENT OF PROBLEM**

Marsabit County has fairly low human development index compared to the national average. The youth development index and gender equality index were far below the national indices of 0.58 and 0.65 respectively. The study areas also has unemployment rate of 65% among the youths and women as well as 71.5% illiteracy rate among the general population (GoK, 2012). Marsabit County vision and strategic plan 2008-2012 cited low investment in education and training and low levels of self-employment as barriers to people development. In addition, the youths and women in the study areas had less opportunities to participate in business activities owing to limited business skills and knowledge and unfavourable socio-cultural influences (GoK, 2013).

In addition, it has been observed that most of the business start-ups by the youths, women and self-help groups` trainees in the study areas tended to wind up as soon as the supporting agencies project programme come to an end. Those that remained on records in government offices became dormant in terms of business activities. For example out of 1294 registered youths, women and self-help groups in Marsabit County at the time of the study, only 67.8% were active (Gok, 2013). This sustainability challenges raise the questions as to whether business training inputs in the study areas adhered to the STC approaches that has shown successful results in other parts of the world.

### **1.2 OBJECTIVES OF THE STUDY**

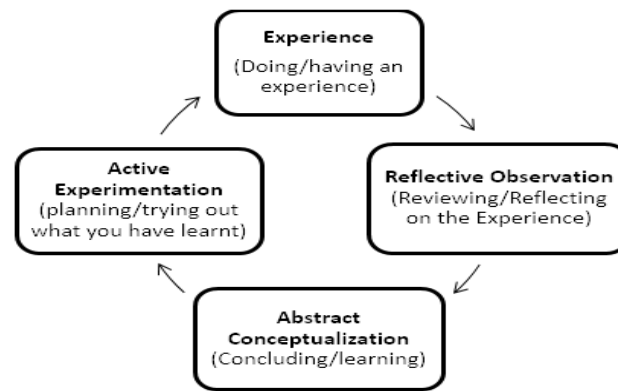
To analyze effects of business training input on the business competencies of the trainees in Marsabit County, Kenya.

Hypothesis: H<sub>02</sub>: Business training inputs do not have significant effect on the business competencies of the trainees in Marsabit Central and South Sub-Counties of Marsabit County, Kenya

## **2. THEORETICAL LITERATURE: KOLB'S LEARNING CYCLE MODEL**

The study was anchored on Kolb (1984) model which focused on a process based adult learning approach as shown in figure 2.1.

The Model has four (4) sequential steps namely; experience, reflective observation, abstract conceptualization and active experimentation. These steps explain how an adult learner would acquire transfer of competencies methodologically and with higher degree of competence transferability to the learner.



Source: Kolb (1984)

Figure 2:1 Kolb's Learning Cycle Model

First, learners are exposed to and involved in concrete and new experiences. Learners are encouraged to actively participate in the process of learning. Secondly, the trainees reflect and observe what they have learnt in-depth in order to make meaning out of it. Allowing time laps between initial exposure to new experience and opportunity to revisit the learning inputs enriched the attention and motivation to learn more.

Third, trainees use concepts and theories to integrate observation. Ideally trainees try to compare what they learnt with what they already knew and attempt to make sense of what has happened and try to understand the relationships between them. Giving facts, principles and practical implications would help the learner to establish more feasible relationship between what they knew and the training inputs. The fourth stage is use of learnt theories for decision making and problem solving. Key among the fourth phase inputs are exposure to business environments, practical learning during business trainings, comparing the known with the unknown world view (Kolb 1984).

In this study, the first stage of experience (training inputs) becomes critical as it affects all the other stages of learning. Business trainers in the study areas needed to understand various phases of this model so that they could apply appropriate phases for different learning stages. They could illustrate application of using experience stage through field visits to share experience with other trainees, film shows and observation of successful entrepreneurial start-up in the field as supported by (Glaub & Michael, 2011).

There are multiple lessons that business trainers could draw from the application of Kolb's Model. The design and development of learning inputs for trainees could take into account competency needs of the youths, women and self-help groups as well as levels of formal education, lack of prior exposure to business environments and nature of the businesses operated by the trainees (Kandalkar, 2013). The training programme is also made cognizant of transhumance nature of the trainees, gender compositions and daily chores.

## **2.1 EMPIRICAL LITERATURE REVIEW: BUSINESS TRAINING INPUTS PRACTICES**

Training input for any subject group is a function of the desired outcome as realized through the training objectives. The inputs are designed with certain expected transformation in mind which includes enabling the trainees acquire requisite skills, knowledge and attitude to help them function at higher levels of performance after the training. The acquisition of these attributes is meant to improve the overall competencies of the trainees (Glaub & Matthias, 2011). In addition, training input needed to consider ability of the trainees utilize the training inputs to plan and organize business resources and make feasible business decisions (Saks & Burke, 2012). Besides, the training inputs ought to help learners uphold ethical business orientation and practices and solve day-to-day business challenges (Rowley & Harry, 2011).

Principles of business management dictate that building of trainees competencies in business management necessarily require fundamental training inputs organized and delivered with a view of optimizing return on investment. In this regard, trainees are expected to be fully equipped with basic skills required for business competence development (Koontz & Weihrich, 2010). Equally important to foundation of training input to improve trainees' competencies is business leadership that encompasses process of motivating, activating, leading and supervising people at work (Karlán & Valdivia, 2011). Basic business training inputs to enhance trainees' business leadership would include leadership skills, basic managerial skills, team building skills, entrepreneurial and value addition skills besides having sound business communication skills and interpersonal relationships (Hill & McShane, 2008).

Divorced from tradition approaches where the setting of objectives for learning is the sole responsibility of the trainer, Philips (2004) proposed that learners must be incorporated in the process of developing learning objectives. It is envisaged that such approach will enhance the probability that the learners would be more motivated and own learning process and increase ultimate transfer of learnt skills and knowledge to their workplace. Empirical evidence suggest that acquisition of skills and knowledge from training input were influenced by participation of the trainees (Kuckertz & Wagner, 2010).

## **2.2 BUSINESS TRAINING INPUTS IN THE STUDY AREAS**

A number of entrepreneurial initiatives were undertaken by women and youth in Marsabit County at the time of the study. FH-Kenya organized local livestock traders into groups and gave them seed fund in form of small grants. Groups were taken for study tour to the Kenya Meat Commission and Samburu Sub-County where the livestock marketing practices had successfully picked up (FH-Kenya, 2011). The beneficiaries were trained on livestock marketing systems, marketing intelligence and marketing networks with potential buyers and market brokers. The training content were developed solely by the training providers (FARM-Africa, 2010). These initiatives ceased shortly after the project ended and the livestock traders groups stopped to function thereafter.

International Livestock Research Institute (2010) conducted training on livestock insurance for pastoralists and agro-pastoralists in the study areas. The training inputs included principles and practice of adult learning, understanding concepts of risks and insurance, drought insurance, sales and marketing and drought insurance purchase processes. Even though the objectives of introducing livestock insurance was quite an appropriate mitigating measure against recurrent droughts in the study areas, the programme did not pick up.

Review of the livestock insurance training manual showed that the training programme lacked evidence of equipping the trainees with fundamental skills in business operations such as business planning, records keeping among others. Livestock insurance as a business enterprise was introduced to trainees at a fairly higher level, noting that the subjects were pastoralists and agro-pastoralists with limited exposure to business practices and with limited levels of formal educations. Similar failure of business training inputs to improve trainee competencies were also cited in other studies in Sub Saharan Africa (Mano, Iddrisu, Yoshino & Sonobe, 2012).

Similar training programmes were also mounted by Youths Enterprise Development Fund (YEDF) targeting youth groups and individuals who benefited from YEDF to start businesses in the study areas. The training inputs mainly focused on preparation of business plans including production, financial and organization plans. Other areas included market identification, taxation issues in small businesses, records keeping in business, quality improvement and management, sources of business funds, customer attraction and retention and products pricing (GoK, 2012). Review of this training manual revealed that training inputs were quite academic in nature, lacked basic inputs needed for business start-ups and devoid of chronological introduction of new skills and knowledge.

### **3. RESEARCH METHODOLOGY**

Descriptive survey research design was applied as advised by Saunders (2009). The research had two (2) sets of target populations namely, registered women, youth, self-help groups who have received business trainings in Marsabit County and the trainers from Government and NGOs. Using Cochran's (1963) sample size formula for categorical data, 345 business trainees were drawn from 5,050 trainee target populations. 81 business trainers were also arrived at using census techniques. The study designed structured survey questionnaires and to elicit responses from sampled women, youth and self-help groups as described by Kasomo (2006). Data analysis employed descriptive statistics (frequencies, means and percentages) and inferential statistics (regression analysis and T-test)

### **4. RESEARCH FINDINGS**

In this study business training inputs given by the trainers in some foundation areas of business management were analyzed as shown in figure 4.1

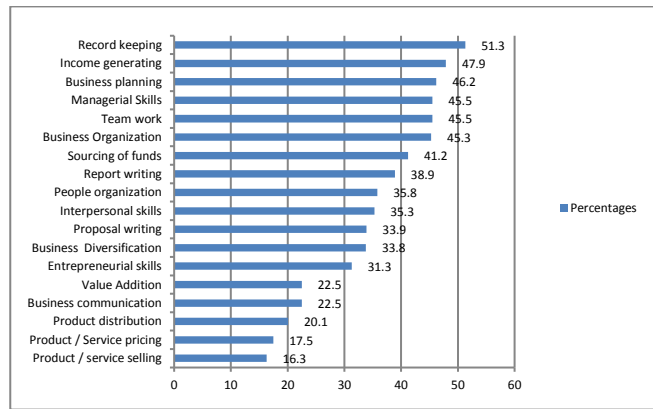


Figure 4.1: Levels of Delivery of Training Inputs by Trainers

It is deducible from Figure 4.1 that 50% of all business trainers have not trained their trainees in basic business management areas which are vital for uptake of business skills among the trainees in the study areas. Only the areas of records keeping were taught to 51.3% of the business trainees. In addition, about 20% and below did train in product pricing, product selling and product distribution. However, attempts have been made by the trainers to train in the areas of team building, managerial skills, record keeping, income generating, business organization, business plan and sourcing of funds where at least 40% of the trainers have trained their subjects in these basic areas of business management.

A study by Rowley and Harry (2011) among Japanese and European Small and Medium Enterprises (SME) start-up firms recommended that start up trainees be imparted with basic skills including marketing, product distribution, communication, products pricing, and sources of funds for business among others. This findings was supported by (McKenzie & Woodruff, 2014) who found out that products marketing, products pricing, customer service, financial planning and records management are key input for a successful entrepreneurial start-ups

In addition, Tanuja (2012) asserted that adequacy of the input content, suitability of the input to answer training needs analysis gap and relevance of the training input to learner environment. In addition, quality of the instructional materials, degrees of inputs customization and contextualization to learners' needs and functionality of the inputs after the training should trigger more motivation and urge (Stoke & Wilson, 2010). Therefore, given the limited coverage of the basic business training inputs in the study areas there were chances of the trainees receiving less business competency transfer and hence may fail to meet the desire objectives of training them in business start-ups.

#### 4.1 FREQUENCIES OF RE-TRAINING

Training as a means of imparting knowledge and skills is a continuous process to acquire competencies required by the industry in keeping abreast with ever changing business environment. In this study close to one-third (27.16%) of the trainees did not receive repeat training in the areas they have been once trained. Only 6.17%

received re-training of every three (3) months. Close to One-third of the trainees (29.63%) also received bi-annual re-training and another 25.93% received annual re-training.

The research finding was juxtaposed against business training practices in the industry and possible implications on the ultimate acquisition of business competence by the trainees in the study areas. Banfield and Kay (2008) enumerated the objectives of re-training to include improving skills threshold of the learners, addressing emergence of new ideas, technologies or products in the market and seizing opportunities available in business markets.

However, realization that close to one-third (27.16%) of the trainees have not received repeat training goes against findings of other research work in the same areas. Beaver and Kate (2005) examined the importance of human resources development (HRD) in small and Medium-Sized Enterprises (SMEs) with specific reference to key issues around training and re-training as a mean of continuous staff development. The study established that SMEs which adopted continuous training made more profit, sustained more competitive position in their marketplace and easily adjusted to changing uncertain external influences on the business environments than those which did not invest in re-training.

**4.2 INFERENTIAL EVIDENCES**

The test of differences of mean between the reported intervals of business re-training by the trainers vis-a-vis the trainees adduced the test results ( $t = 0.01$ ,  $df = 7.899$ ,  $p\text{-value} = 0.992$ ) indicated that the true difference in means of intervals of business retraining of the two groups (trainers and trainees) was equal to zero. Further, equality of variances of the reported re-training intervals between the two groups yielded F-test result of ( $F = 0.030$ ,  $df = 4$ ,  $p\text{-value} = 0.977$ ) confirming the variances of responses by the two groups are equal. Finally, the trainers and trainees responses were positively and significantly correlated as evidenced by Pearson product moment correlation coefficient of ( $\rho = 0.897$ ).

In order to understand relative effects of different training input components on the business competencies of the trainees in the study areas, a regression analysis was computed as supported by Bollen 1989 and Hoyle 1995.

Let  $x_i$  denotes the scores for the unobserved factors.  $i=1, 2, 3, \dots, 17$

Where,

$x_1$  - business planning

$x_2$  - business organization

$x_3$  - products/service selling

$x_4$  - people organization

$x_5$  - product distribution methods



- x<sub>6</sub> - sourcing of funds
- x<sub>7</sub> - product/service pricing
- x<sub>8</sub> - income generating activities
- x<sub>9</sub> - proposal writing
- x<sub>10</sub> - records keeping
- x<sub>11</sub> - managerial skills
- x<sub>12</sub> - team work
- x<sub>13</sub> - report writing
- x<sub>14</sub> - entrepreneurial skills
- x<sub>15</sub> - value addition to local products
- x<sub>16</sub> - business communication
- x<sub>17</sub> - interpersonal relationships

And b<sub>0</sub> is the constant.

Hence a regression model of the form,

$y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 \dots\dots\dots b_{17}x_{17}$  was determined at 95% level of confidence for the training input components in the study areas as illustrated in table 4.1

Table 4.1. Regression Analysis for Training Inputs

Training Inputs	Unstandardized coefficient	Standard error	P – values
Constant (b <sub>0</sub> )	1.424	0.958	0.141
x <sub>1</sub>	-0.070	0.409	0.865
x <sub>2</sub>	-0.187	0.374	0.618
x <sub>3</sub>	-0.035	0.349	0.920
x <sub>4</sub>	-0.171	0.311	0.583
x <sub>5</sub>	-0.234	0.358	0.514
x <sub>6</sub>	0.684	0.331	0.041
x <sub>7</sub>	0.605	0.336	0.044
x <sub>8</sub>	0.196	0.401	0.626
x <sub>9</sub>	-0.450	0.360	0.215
x <sub>10</sub>	-0.415	0.408	0.312
x <sub>11</sub>	-0.356	0.330	0.283
x <sub>12</sub>	0.405	0.356	0.258
x <sub>13</sub>	0.432	0.367	0.242
x <sub>14</sub>	-0.505	0.335	0.135
x <sub>15</sub>	0.373	0.276	0.181
x <sub>16</sub>	-0.568	0.257	0.029
x <sub>17</sub>	-0.505	0.335	0.141

Thus the model obtained was,

$y = 1.424 - .0705x_1 - .187x_2 - 035x_3 \dots\dots\dots -.505x_{17}$  as illustrated in Table 4.1.

Given that the p values for training input coefficient ( $b_0 = 0.141$ ) was greater than ( $\alpha = 0.05$ ), the training input generally did not have significant effect on the business competencies of the training in the study areas. Hence we accept the assumed null hypothesis that,

H<sub>02</sub>: Business training inputs do not have significant effect on the business competencies of the trainees in Marsabit Central and South Sub-Counties of Marsabit County, Kenya.

However, there were certain individual training input components which had some significant effects on the business competencies of the trainees. These are sourcing of funds ( $p = 0.041$ ), business communication ( $p = 0.029$ ) and product/service selling ( $p = 0.044$ ). The study further attests to the fact that inadequate training input would likely reduce the chances of the trainees acquiring business competences (Agochiya, 2009). However, the findings do not negate the roles of experience and exposure to business environment as enabling factors for business competence transfer (Fee, 2011).

### 4.3 BUSINESS COMPETENCIES OUTPUT

The ultimate objective of any training is to enhance competencies of the subject to be able to perform better in their functions than before the training. Kohli and Deb (2008). In this study evidence of competence indicators are quite low except for team leadership with 30.5%. The competence indicators of the business trainees were subjected to Chi-square test at 95% level of confidence to establish if there were any changes in the competencies of the trainees as a result of business training received in the study areas as shown in table 4.2.

Table 4.21: Chi-Square Test for Business Competence

Input (business indicators)	Competence	Chi-Square	Degree of Relationship (Cramer's V)	P-Value (2 Sided)
Business planning	Have business plan	96.70	0.32	0.00
	Have budget	93.70	0.31	0.00
Business records	Have sales records	90.65	0.33	0.00
	Have returns	65.53	0.29	0.00
Product distribution	Have distribution centre	36.52	0.22	0.00
Business funding	Have funded proposal	73.19	0.31	0.00
Proposal writing	Proposals written	54.82	0.26	0.00
	Proposals funded	47.64	0.24	0.00
Team Leadership	Have team leaders	28.79	0.18	0.03
Marketing	Have promotion items	65.24	0.29	0.00
Value addition	Number of products with value addition	51.87	0.27	0.00
Business communication	Use of mobile phones for business	95.09	0.36	00.00
Business diversification	Number of business in operation	56.55	0.29	0.00

The Chi-square test results show that there was positive relationship between the training inputs received by the business trainees and the knowledge and skills gained by the business trainees. However, the degrees of

relationship between the input and the output calculated using Cramer's V indicated fairly weak but positive relationships.

## 5. CONCLUSION AND RECOMMENDATION

Generally, these results depict that training inputs have not significantly enhanced the business competencies of the trainees in the study areas. This position was supported by the fact that business trainees have shown quite low levels of business competence indicators. The study concluded that inadequate business training input affected transfer of business competencies to the trainees in the study areas.

The study recommends that training inputs for the business trainees in the study areas should take into account critically needed competencies that would enable transition from pastoralists' livelihood to entrepreneurship. The training provider organizations should develop guidelines on priority training input areas to be used by individual trainers in the field. Low levels of training inputs could emanate from low levels of trainer expertise affecting input delivery.

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