TRAINING STRATEGIES FOR LEADERSHIP SUCCESSION IN SMALL AND MEDIUM SCALE CONSTRUCTION COMPANIES IN NORTH-EAST NIGERIA

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Abstract:
Staff training and development strategies are considered a ‘sine qua non’ for a sustainable leadership succession in any organisation. This descriptive survey research design sought to ascertain the level of implementation of training strategies for leadership succession in small and medium scale construction companies in the study area. A questionnaire with 5-point rating scale was employed to elicit responses from 93 CEOs on staff training and development strategies including policies and procedure, opportunities, funding, and incentives and rewards for training. A hypothesis was formulated, and tested with t-Test, to determine any difference in the responses between the small and the medium scale companies under study. Results indicated that even though the respondents practiced some of the strategies without funding in the mean, they are generally indifferent to leadership succession through staff training. There was no significant difference in the mean responses of the small and the medium scale construction companies. It was recommended that the construction companies be more committed to effective leadership succession by organising and funding training workshops and seminars for staff.

Keywords: Training Strategies; Leadership Development; Succession Planning; SMS Construction Companies; North-East Nigeria.


1. Introduction

Training for transitions within organisations is a strategic process that provides opportunities for top talent to develop the skills necessary for future role as leaders, thus minimising succession gaps for critical position (Kim, 2010). Singer and Griffith (2010) have viewed that Training Strategies is among the few tools being used/needed for preparing tomorrows’ skilled employees and are also used to strengthen organizational capabilities, intelligence, build organization knowledge, and sustain the organization competitive advantage. Organizations whether public or private have two distinguishable resources; the human and material. The former are the people,
workforce, work force or employee of such organizations without whom the latter becomes useless.

Training programs are aimed at increasing productivity in organizations. Workers tend to stay longer in organizations if they obtain professional and personal development (Gaffney, 2005). However, many organizations carry out Training programs without evaluating or measuring its impact on the employee performance and therefore they are not able to determine the effectiveness of these programs, and whether they should be continued or not (Cunningham, 2007).

Zigon (2014) opined that training is the overall process whereby an individual's behaviour are modified to conform to a pre-defined and concrete pattern and at the same time training is an organized activity aimed at imparting information that will improve the workers or recipient's performance, and to help him or her attain a required level of skills and knowledge. Training is held in terms of enhancing the employees' skills, entrepreneurship, as well as general management training. Also, other factors, which have to do with relevant experiences and education, are observed or recognized as a requirement to cope with the work and environmental changes (Bryan, 2006).

To ensure training efficiency and effectiveness, training need adequate support and integrated with a strategic planning system of a business (Schuler, 2000). Formalization of training and development is a means or indicator of it important to the business (Garavan, 1991). Systematic training and development are suggested rather than an ad-hoc approach to training and development (Mabey and Gooderham, 2005). In this view, training is sub-divided into three stage process. The first stage shows that the manager decides whether there should train their employees or not, and the manager that train their employees move into the second stage known as training expenditures. The last stage is the stage that the impact of training can be assessed most importantly this study do not ignore those managers that decided not to train their workforce (Nikandrou et al., 2005).

According to Armstrong (2000), strategic human resource management (SHRM) emphasizes longer-term issues of people and consequently long-term training strategies. SHRM should provide appropriate support mechanisms and address personal attitudes and motivation within organizations to ensure participation and support. However, organizations can also achieve immediate improvements in performance by using short-term management approaches for effective training programs (Thomas, 2000).

As the strategic planning process contributes to the development of specific functional strategies needed to achieve business objectives, strategy formulation is important in the development of HR strategies needed to attract and retain the human capital required for gaining competitive advantage (Poole & Jenkins, 1996). Therefore, it is clear that strengths-weaknesses-opportunities-threats (SWOT) analysis will be an important approach and strategic tool, which enhance all organization activities including HR activities.

There is no universal definition of a Small and Medium Scale business (SMS). However, SMS business can be defined by using the following criteria: voting control, percentage of ownership, power over strategic direction, involvement of multiple generations, and active management by family members (Suh, Park & Park, 2008). Thus, SMS construction companies can be define as
construction companies in which the family has influence or control over both the ownership and management operations.

The contribution of SMS construction companies that are family-owned enterprises to the economies of nations around the world in terms of employment and Gross Domestic Product (GDP) cannot be over-emphasized. They constitute the world’s oldest and most dominant form of business organization and they account for about 70% to 95% of all business entities in most countries around the world by creating between 50% and 80% employment (European Family Business, 2012). For instance, family businesses generate about 79% jobs and account for two-third of GDP in India (Bernard, 2013). They also create about 85% employment and account for about 50% of the GDP in Brazil (Family Firm Institute, 2012). In the same vein, family businesses in Nigeria contribute 46 to 54% to GDP (SMEDAN, 2012). Despite these tremendous contributions, most family-owned enterprises are faced with the challenge of continuity, as 95% of them do not survive the third generation of ownership.

Studies have shown that less than one-third of SMS businesses in Nigeria continue to the second generation, and less than half of second-generation SMS enterprises make it to the third generation when the founder/manager retires or dies (Adelaja, 2006; Joseph, 2014). This situation grossly affects the construction companies in North Eastern States of Nigeria because many of them become extinct within a short period, from anecdotal experience.

Leadership development refer to the process of obtaining or transferring knowledge, skills and abilities (KSA) needed to carry out a specific activity or functions; so, the benefits of training and development, both for organizations and individuals are strategic in nature and hence much wider. To meet the current and future challenges of organizations, training and development assume a wide range of learning actions, ranging from training of the individuals for their present tasks and moreover, knowledge sharing to improve the organization’s horizon and customers’ service; which focus on their career development and enrichment, thus expanding individual, group and organizational effectiveness (Niazi, 2011).

2. Related Literature

Hypothesis Development
Training and Business Success Empirical study conducted by Beaver and Hutchings (2005) discovered that implementation of various training programmes foster learning, and also improve the overall competence of the organization members or employees, and it is believed that training implementation lead to high business success. Moreover, notable resources-based theorists proposed that the implementation of training programs can be thought as a strategic intent that ensures and improves lasting competitiveness (Garcia, 2005). If the training programs are consistent with the overall business strategy, the training programs will foster and encourage employees to achieve strategic objectives, and thereby lead to superior firm’s success (Garcia, 2005).
Training and Development Strategies for Leadership Succession

Leadership development programs are important to succession planning and can be in a variety of ways, including coaching or mentoring, team training, simulation, job rotation, action learning, field trips and tours, job enrichment, acceleration pools, off-the-job activities and formal training.

Coaching or mentoring involves day-to-day discussions between the manager and the individual employees to correct deficiencies, build skills for developing improved job performance, and possible grooming prospective future successors (Dessler, 2011). Mentors possess specific knowledge, skills and abilities (KSAs) in problem solving, conflict resolution, communication, defining objectives and planning (Hartenian, 2003).

Through team training, people are trained to problem-solve more effectively in groups, where observation and feedback are required during the training process (Rasmussen, 1982; Forbush & Morgan, 2004). Team training is often used in the industrial sector, government, and the army (Tannenbaum & Yukl, 1992). Specific team training strategies have been developed such as cross-training, coordination training.

(Prince & Salas, 1993), leadership training (Tannenbaum et al., 1998), self-correction (Smith-Jentsch et al., 1998), and distributed team training (Dwyer et al., 1999). Evidence shows that team training functions well when it is theoretically driven. It concentrates on the necessary skills, and gives trainees realistic opportunities for feedback (Salas & Cannon-Bowers, 2001).

Simulation is a popular way of delivering training and is commonly used by businesses, educational establishments, and military (Jacobs & Dempsey 1993). Many simulators and virtual environments are able to mimic terrain, equipment breakdowns, and movement, as well as vibratory and visual cues (Salas & Cannon-Bowers, 2001).

Job rotation, on the other hand, entails moving management trainees from department to department to broaden their understanding of all parts of the business and to test their abilities through identifying their strong and weak points.

Action learning is a practical of building competencies as individuals learn while solving problems, creating visions, seeking goals, or leveraging strengths that will contribute to developmental needs. It helps to develop critical competencies, select, assess, and develop stars and high-potential employees to new levels of knowledge, skills, experience, and competencies (Singer and Griffith, 2010).

Field trips and tours give staff the opportunity to experience situations away from the workplace and to obtain practical information about their job functions (Kaushik, 1996). Few organizations use field trips as a component of training due to logistical limitations, shortage of appropriate training materials, and unfamiliarity with the outdoors as a suitable training environment (Mirka, 1970; Fido & Gayford, 1982). However, they can be useful for increasing motivation, performance and skills. They can help employees to get a more obvious understanding of job requirements (Kaushik, 1996).
Job enrichment involves expanding present responsibilities to include a wider variety of assignments and duties. It is effective for improving both skill and knowledge area, but should be limited to those who already are effective in their present positions, since it requires expanding work performance rather than simply adding more of the same work (Buckner and Slavenski, 2000). An acceleration pool is a group of people who quickly and systematically prepare for possible promotion to meet some need of the organization (Rothwell, 2005).

Formal training includes seminars, lectures, computer-based learning and e learning, and it is used to introduce a new concept or theory or to explain the importance of a particular topic; and most effective when coupled with experience sharing and role-playing. These bring trainees together in small groups for regular meetings, which focus on a specific topic, with trainees being expected to get actively involved (Webster’s dictionary, 1992). Seminars help staff to become more familiar with their job functions and more actively involved in them. They also enable them to handle problems that arise on a regular basis (Holladay & Quinones, 2003). E-learning is normally less expensive than other kinds of training; it is self-paced, content-consistent, easy to use and update, manage and control for large numbers of people, and can assist organizations in enhancing performance (Cantoni, Cellario & Ports, 2004).

Off-the-Job activities such as participation in professional and/or community organizations or involvement in activities of personal growth and interest also lead to learning.

Assessment of Organizational Leadership Needs
A careful assessment of individual employees helps not only to identify those who are able and desiring to advance upwards, but also helps to delineate their developmental gaps (Rothwell, 2005). Furthermore, assessment processes will reveal developmental gaps of each identified talent or high potential. These gaps must be bridged through different types of development programs that are adequately designed for equipping each selected potential with requisite leadership and behavioural skills (Krauss, 2007). Since development of the high potentials is the heart of the succession planning and management system (Berke, 2005), organizations have to establish well-designed leadership development programs. It is through these kinds of evaluation processes that workers’ skills, values, strengths, interests, behaviors, education, goals, and weaknesses can be uncovered (Gaffney, 2005). Eventually, the identified talent and high potentials are developed and retained in order to fill the future key/leadership positions. This is why a talent management strategy is an important component of any succession planning and management process.

Many researchers have indicated that training has a significant influence on business success (Ojokuku, Sajuyigbe, and Ogunwoye, 2014). It has been discovered that some studies are unable to demonstrate that training lead or resulted in business success or influences business success (Ojokuku, et al., 2014). According to the strategic training perspective, indicate that training programs should be consistent with organizational training needs (Noe, 2005). Based on the above points or discussion this study proposed the hypothesis below.

3. Statement of the Problem
Some organisations avoid training their employees, but rather rely on sourcing workers from outside believing that it is easier to do so (Krauss, 2007). When experienced workers leave such
organizations either by: resignation, retirement, illness, sudden death, term expiration, moving on to a new opportunity, getting promoted, taking a long vacation or any other reason, it resulted to gaps in both leadership positions and skills. This is because, they take with them not only the capacity to do the work but also the accumulated wisdom they have acquired, these happen at all levels and in all functional areas (Rothwell, 2005).

These problems then lead to the poor survival rate of SMS construction firm in Nigeria and North Eastern States in particular. Adelaja (2006) states that only 30% of family businesses see the light of the day beyond the first generation while about 10% to 15% go beyond third generation this means that most of the SMS construction companies fold up before their founders death, as most of them are not able to survive a generational transition.

Changes through planning and training of successor for leadership succession has been credited for minimizing the impacts that come from leadership transition in companies and it has noted to be the single most lasting gift that one generation can bestow upon the next. Some of the questions bothering the mind of the researcher are; what are the training strategies for choosing leadership successors in Small and Medium Scale construction companies in North Eastern States of Nigeria? Training strategies appear left to chance by many small and medium business owners especially construction companies in North Eastern States of Nigeria.

The aim of this study was to enhance business success and survival of construction companies in the area beyond the existence of their founders or proprietors. This aim will be achieved through identification and ascertaining extent of practice for leadership succession strategies in SMS construction companies in North Eastern States of Nigeria.

4. Methodology

The investigation is a descriptive survey research design. Descriptive survey describes present conditions, events or systems based on the impressions or reactions of the respondents of the research (Creswell, 2009).

The geographical area of this study was North Eastern States of Nigeria that made up of six (6) States. The area has geographical boundary of latitude 6.26° East and longitude 4.92° north of the equator with total area of 103,639sq/m. The States are Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States. Borno State shared boundary with Chad, Niger Republic and Cameroon Republic while Adamawa State shared boundary with Cameroon Republic. The North Eastern States shared boarders in Nigeria with Benue State, Plateau State, Kastina State, Kano State and Jigawa State. This study covered four out of the six states in the region viz: Adamawa, Bauchi, Gombe and Taraba States. The target population included the Chief Executive Owners (CEOs) who are also the Managing Directors (MD) of all the 93 registered SMS construction companies in the study area.

The instrument used in gathering data for this study was an adopted and modified questionnaire on a five-point rating scale, which focused on issues pertaining to the training strategies. Such issues included opportunities for internal/external training, policies and procedure for staff development, funding for training, incentives and rewards for training, and organising workshops.
and seminars. Respondents were to indicate whether these issues were Strongly Practiced (SP=5), Practiced (P=4), Undecided (U=3), Rarely Practiced (RP=2) or Not Practiced (NP=1).

The instrument was trial-tested at Plateau State because it has similarity in its character to that of the North Eastern States of Nigeria. Cronbach Alpha (α) was used to analyze the data collected for estimating the internal reliability of survey instruments (Cramines & Zeller, 1991). The Statistical Package for Social Sciences (SPSS) version 20 was used for its data analysis for internal consistency.

The Statistical Package for Social Science (SPSS) Version 20 was employed to analyze the data generated, by using means values/scores and standard deviation in conjunction with the lower and upper real limits of the five-point scale to determine the decision point. This means any item with the mean ratings equivalent to 5 i.e. 4.50 – 5.00 falls in the category of strongly practiced (SP) or strongly agree (SA); item with mean rating equivalent to 4 i.e. 3.50 – 4.49 falls in the category of practiced (P) or agree (A) and any item with the mean rating equivalent to 3 i.e. 2.50 – 3.49 falls in the category of undecided (U). In addition, items with the mean ratings equivalent to 2 i.e. 1.50 – 2.49 falls in the category of rarely practiced (RP) or disagree (D) while any item with the mean rating equivalent to 1 i.e. 0.50 – 1.49 falls in the category of not practiced (NP) or strongly disagree (SD) response as the case of the item might be. The decision rule used was any item with the mean rating of 3.50 and above rated Commonly Practiced (CP) or agreed (A) while, items with the mean ratings from 3.49 and below were termed not practiced (NP) or disagree (D).

A hypothesis was formulated thus: There is no significant difference between the mean ratings of the CEO of small and those of medium scale construction companies on training strategies for leadership succession in North Eastern States of Nigeria.

The hypothesis was tested at 0.05 levels of significance by using t–test. The t–test was used to test all hypotheses because the data concerned was for two groups and the population of the medium group was so small i.e. 19 CEOs. The decision rule of Hypothesis for this study was, if the t–calculated is greater than or equal to the t–table values at 0.05 level of significance, the null hypothesis would be rejected. But if the t–calculated value is less than that of t–table value at 0.05 level of significance, the null hypothesis would be accepted.

5. Results and Discussion

The result presented in Table 1 revealed that the means ratings of the respondents from small and medium scale construction companies were above 3.5 which means they rated items 1, 2, 3, 4 & 5 as being either strongly practiced or practiced. These items indicated that employees were allowed to train themselves with little financial support. However, items 7 & 8 were each rated 2.42 which mean their items were rarely practiced. Similarly, item 22 has its own mean ratings as 1.41 this mean rating shown that many of the companies under this study have not been allocating enough budget for the training implementation of their employee. These three items above i.e. items 4, 7 & 8 were the ones that indicate the seriousness of any construction company in training strategies as required in holding workshops, training or allocate budgets for training of their employees as per leadership succession needs in order to have a continuous generational leadership
transition. The major reason why management of many private companies especially SMS companies often avoid programs that involves spending was for their selfish advantage.

Table 1: Mean Ratings and Standard Deviations of Responses of Chief Executive Owners of Small and Medium Scale Construction Companies on Training Strategies for Leadership Succession in North Eastern States of Nigeria

<table>
<thead>
<tr>
<th>S/N</th>
<th>Training Strategies for Leadership Succession</th>
<th>N=93</th>
<th>( \bar{x} )</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The company supports learning by providing opportunities for internal and external training</td>
<td></td>
<td>3.94</td>
<td>1.21</td>
<td>P</td>
</tr>
<tr>
<td>2.</td>
<td>The company encourages employees to develop their skills and experience to ensure that the continuation of the company’s competitive advantage.</td>
<td></td>
<td>4.81</td>
<td>1.75</td>
<td>SP</td>
</tr>
<tr>
<td>3.</td>
<td>The company provides the necessary training policies and procedures to ensure staff development.</td>
<td></td>
<td>4.13</td>
<td>1.09</td>
<td>P</td>
</tr>
<tr>
<td>4.</td>
<td>The company allocates budget for the training implementation of the staff</td>
<td></td>
<td>1.41</td>
<td>0.26</td>
<td>NP</td>
</tr>
<tr>
<td>5.</td>
<td>The company invests in the various training activities to develop the roles of individuals.</td>
<td></td>
<td>3.52</td>
<td>1.41</td>
<td>P</td>
</tr>
<tr>
<td>6.</td>
<td>The company applies the training incentives and rewards system for employees to contribute to raising the quality of their performance.</td>
<td></td>
<td>3.97</td>
<td>1.14</td>
<td>P</td>
</tr>
<tr>
<td>7.</td>
<td>The company uses succession-planning needs to train and develop staff appropriately.</td>
<td></td>
<td>2.42</td>
<td>0.58</td>
<td>RP</td>
</tr>
<tr>
<td>8.</td>
<td>The company holds workshops to train individuals on career Planning</td>
<td>3.33</td>
<td>1.00</td>
<td></td>
<td>U</td>
</tr>
</tbody>
</table>

Key: SP = Strongly practiced; P = Practiced; U = Undecided; RP = Rarely practiced; NP = Not practiced

Table 2: The t – Test of difference between the mean responses of Chief executive owners of SMS construction companies on the training strategies for leadership succession in N-E of Nigeria

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>SD</th>
<th>n</th>
<th>df</th>
<th>t stat</th>
<th>t-cal</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>4.38</td>
<td>0.45</td>
<td>19</td>
<td>91</td>
<td>4.57</td>
<td>2.36</td>
<td>Accept</td>
</tr>
<tr>
<td>Small</td>
<td>3.34</td>
<td>0.93</td>
<td>74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 presents the t – test result for hypothesis 3. From the computed result, the t – calculated was 2.36 while the t – stat was 4.57. This signifies that the null hypothesis was upheld, meaning there was no significant difference in the mean ratings of the two groups on the level of training strategies in the study area.

Discussion
The findings of this study concerning training strategies indicates that, some SMS construction companies under this study have not been practicing training strategies in allocating funds or
enough budgets to support learning for both internal and external trainings in order to encourage employees in developing their skills as per leadership succession needs. This result was consistent with the findings of Ofobruku and Nwakoby (2015) which states that construction companies should train their employees because, training and mentoring always have positive effect on employees’ performances. In addition, the result is also consistent with the study of Onuoha (2013) in that training supported by the top level of administration encourages development through the incentives and bonuses payment to employees. It is worth pointing out that the results of this field also in consistent with the study of Yankov & Kleiner (2001) in that sustaining and grooming skill of work force in small construction companies has been inadequate. In addition, the finding of this study is in line with Toor and Ofori (2008); Palliaam et al. (2011) and Ofobuku & Nwakoby (2015) studies in that they indicated that selected leaders requires proper training and mentoring programs to enable them became a strong leader in construction company.

The hypothesis findings in table 2 show that, there was no significant difference in the opinions of the respondents on the training strategies in the study area. This simply implies that the two groups have rated the items almost the same and that they both agreed on the effect of training employees for leadership succession. This view was consistent with Onuoha (2003) which observed that without effective training there could not be generational continuity. Furthermore, this result was inconsistent with the study of Rubin & Rubin (2005), which revealed that in construction industry many firms do not have adequate skilled employee to cope with number of aging and retiring executives. While, Toor & Ofori (2008) in their findings states that, the small pool of capable workers makes small and medium construction companies more difficult to find qualified personnel. This could simply interpret that, small and medium scale construction companies needed to train and educate their workers regularly to prepare them ahead of any unforeseen circumstances.

6. Conclusion

The study was aimed at enhancing business success and survival of construction companies in the area beyond the existence of their founders or proprietors. It sought to identify and ascertain extent of practice of training strategies for leadership successors in SMS construction companies in North Eastern States of Nigeria

Results indicated that even though the respondents practiced some of the strategies without funding in the mean, they are generally indifferent to leadership succession through staff training. There was no significant difference in the mean responses of the small and the medium scale construction companies. The following recommendations are derived from the findings for successful leadership transition in the companies: (1) Companies should be practicing training strategies by allocating budgets for the development of their employees in holding workshops, regular training and retraining courses on the leadership succession concept and its characteristics; (2) Companies should make an effort to develop a clear organizational policy to promote the practice of planning, recruiting, grooming, training and retraining of employees for leadership succession.

References


