

COMPONENTS OF MODERN WORKFORCE PRACTICES FOR THE SURVIVAL OF A SMALL BUSINESS

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ABSTRACT

Small businesses play a crucial role in providing needed goods and services for people worldwide. There are many factors that should be considered by an individual who is seeking entry into developing his /her own small business. A potential small business owner needs to think of staff training in business management in order that owner/employees are competent to run the business. Corporate social responsibility is another important component that ought to be considered by a prospective small business owner, especially in relation to environmental sustainability. Additionally, the consideration of the use of ICTS in managing the business will accrue many advantages, such as effective record keeping. Furthermore, the future small business owner should make the public aware of the product or service that the business is offering. Thus, the development of a vibrant marketing strategy is imperative.

Key words: Modern workforce practices, small business, prospective small business owner, survival.

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It is widely accepted that small businesses play a critical role in the development of economies globally (Anuar&Yusuff, 2011; Mboniyane&Ladzini, 2011; Nogare, 2006). These businesses not only provide employment for large number of persons but they also support large industries with their products (Anuar&Yusuff, 2011). A small business can be defined as a business that is managed by the owner who is normally the person with the most expertise. Such an enterprise employs less than twenty persons who are generally family members and or friends (Jones&Iredale, 2006). According to Mboniyane&Ladzani (2011)many small businesses fail to survive for a number of reasons. It is therefore imperative that in this twenty first century potential small business ownersinclude in their plans vital factors that are worthwhile components of modern workforce practicesso as to ensure the business's survival. Prospective small business persons need to consider staff training, corporate social responsibility, use of ICTS, and effective marketing strategies as worthwhile components in the preparation for entry into small business.

A Staff member who is skilled and qualified is more likely to effectively manage a business than one who is not. Jones &Iredale (2006) claimed that persons who receive education in business management develop the confidence needed to start a business. Self-confidence will give one the self-assuranceto work towards realisation of goals. Someone with high self-confidence is better able to withstand stresses and challenges that a new business venture entails. Legg et al (2009) acknowledged a small business may fail because the owner lacks self-employment experience. Training in how to manage a small business will provide owner/manager with the knowledge, attitudes and skills that are necessary for successful management of the enterprise. Training programmes may include how to prepare a business plan. A business plan defines the business and explains in detail how the business will function. Many small business owners do not see the

importance of a business plan. However, it allows the owner to identify business goals and to stay focus on those goals which can lead to the survival of the business. A business plan is also a requirement by loan agencies. One criterion that they use to appraise the business probability of success is a business plan. One reason for the failure of small businesses is the lack of funding to develop the venture (Hormozi, Sutton, McMinn, & Lucio (2002). Therefore, a small entrepreneur may gain funding for the businesses if there is a good business plan. Training is thus a vital component that will provide the owner and his or her workers with the tools needed to successfully manage the business.

Another important component that should be included in any plan for establishment of a small business is corporate social responsibility. Corporate social responsibility can be defined as an obligation that businesses have towards the socio-economic advancement of communities in which they function. (Merja&Suutari, 2012). Little (2012) noted that one social corporate responsibility of businesses is to dispose of industrialwaste in a way that is environmentally friendly and cost effective. When this is in the plan and it is put into effect, there will be less pollution of the environment. One strategy that the business may use to dispose of its waste is recycling. For instance if the enterprise is producing furniture, the saw dust can be dried and used as mold for plants or used in land filling. Having a recycling plan in effect is likely to affect the community in which the business operates by providing the residents with mold for their plants at no or little cost and materials for land filling.

In this technological age it is important that prospective small businesses owners plan to use information communication technologies. Terence & Khalid (2003) claimed that ICTs can be successfully used by a small business owner. It is therefore, important that a plan to start a small business includes the use of ICTs. Small business owners can make use of this technology to

conduct record keeping, market products and tax planning (Perks, 2010). This will lead to a great improvement in the business management. The owner can also use computers to send and receive emails to customers and suppliers and also access valuable information to improve the business. The use of ICTs will lead to a more efficient functioning of a business. The businessman can stay in the comforts of the offices and multi-task, for example, discuss orders with customers and surf the net for information at the same time. The use of the ICTs will assist a small entrepreneur to run his or her businesses effectively.

Any plan to establish a small business should include marketing strategies. Anuar & Yusuf (2011) acknowledged that an effective marketing plan ought to be established to advance and distribute the product to the market in such a way as to satisfy the object of the business. Regardless if the business is a small one and the owner may be short of finances, he or she needs to make the public aware of the product or service that the business is offering. There are several very cost effective strategies that can be implemented, such as thanking customers for their patronage. This can be type-written on the receipts or stated to the customers orally upon payment for the item or service. Another method would be to treat customers as being always right, together with giving special privileges to customers. For instance loyal customers should be given preferential treatment in terms of having their orders filled. These simple cost effect strategies are marketing methods that can be used by the entrepreneur/ businessman to promote the business. Based on these simple courtesies information about the business will be spread orally and the business will be promoted.

Anyone who plans to establish a business, whether it an entrepreneur or a business man needs to do so with a plan in mind. This plan must take into consideration modern workforce practices. It is imperative that the business owner and or workers receive training in

entrepreneurial education. This will lead to a more effective management of the business, thus maintaining its sustainability. In this twenty first century both small and large businesses are expected to function in an environment that considers the social and economic development of the people in which the business exists. One such responsibility is to ensure that industrial waste does not pollute the environment. Today the use of ICTs is widely used to make business management more effective. A manager of small businesses will be wise to use the computer and the internet in the day to day running of the businesses. It is risky to run a business and not have a vibrant marketing strategy in place. One that is cost effective but which will promote the business may be ideal for the small business. Not only will the businessman save on finances but his business will be known for good service to customers. Any prospective businessman will be considered prudent if these components are included in a preparation for entry into a small business.

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