

Benchmarks for Business Administration for Sustainable National Development

Akarowhe K*

Faculty of Education, Department of Educational Foundations, Guidance and Counselling, University of Uyo, Uyo, Akwa Ibom State, Nigeria

Abstract

Business administration encompasses all the activities in that involves rendering of meaningful services to an expected population of a nation. Over the years, there is a rising needs of government and relevant authorities for measure of sustainable national development has been of keen interest in recent times. Numbers of step and procedures have been highness by various sectors of the economy. The business sector owing to this fact has in recent years has contributed meaningfully to any nations development in terms of effective and efficient administration. The current level of business administration contribution in any nation cannot be overemphasized due to the global needs of raising the living standard of the national of the country. Owing to this ground business administration in recent years tends to set up benchmarks for determining their contribution to sustainable national development. It is against this background that this paper positioned that there is the need to determine benchmarks in business administration for sustainable national development which are employment generation; technological innovation; improved standard of living; increase in social amenities; and reduction of inflation. The paper also exposes some phases and hindrance in benchmarks for business administration for sustainable national development. This will serve as a pivotal for business to contribute positively to sustainable national development.

Keywords: Benchmark; Sustainable national development; Business administration

Introduction

Benchmark is a term associated with Quantity Control (OC) in small, medium and large scale business enterprises in the 20th centuries. From this perceptive benchmark is a predetermine goals set by business administrators to achieve a certain organizational objective. In the 21st century, benchmark can be seen as a standard set for evaluating and determining the performance, benefit, contribution of a business (small, medium or large scale).

Overview of sustainable national development

Development is generically refers to an institutional change which is accompanied by increase in welfare, and fall in cost of living. In other word it is a reduction in unemployment, inequality and poverty for a given nation. It can also be seen as the latter stage of growth. According to Yakwal and Yakubu (1999), development implies change and describe the process of economic, political and social transformation which countries with this process quite often following a well-ordered sequence and exhibits common characteristics across countries. Sustainable development, according to the National Planning Commission and United Nation Development Programme is a process of change in which the exploitation of resources, the direction of investments, the orientation of technology development and institutional change are all in harmony and enhance both current and future potentials to meet human needs and aspirations.

According to the Sustainable Development Solution Network [1] sustainable development requires a long-term transformation, which in turn requires longer-term planning processes than the usual annual budgets or medium-term expenditure frameworks. In this respect, satisfying human aspirations and needs is the major objective of development while sustainable development is development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

According to Yakwal and Yakubu (1999), sustainable human development which form an integral part of sustainable national development as a process of change, stresses the importance of

participation as a means to sustain the development process and to ensure a more equitable distribution of beneficiaries created by development initiatives. The NPC and UNDP [2] suggested that the main focus of sustainable human development is utilization of national resources both physical and human to:

1. Meet the country's needs;
2. Achieve sustainable livelihood system in a given community;
3. Eliminate poverty;
4. Maintain the physical and human environment for the present as well as succeeding generations of members of the community; and
5. Achieve global inclusion by ensuring the mobilization of the participation of all members of the community in the development process as well as equitable distribution of benefits produced.

Concept of Business Administration

Business is any venture or establishment that is driven by profit motive. Such motives arose out of the needs to satisfy a desire want with a price tag. Economists expect business to improve the economy by improving the quality of goods and services produced through competition, thereby contributing to Gross National Product (GNP) and a country's level of economic development is determined by its GNP. Thus, business administration sought to enhance maximum, effective and efficient management of businesses to cope with national

*Corresponding author: Kingsley Akarowhe, Faculty of Education, Department of Educational Foundations, Guidance and Counselling, University of Uyo, Uyo, Akwa Ibom State, Nigeria, Tel: +234-08137640978; E-mail: kingsmith1172@gmail.com

Received October 05, 2017; Accepted October 25, 2017; Published November 03, 2017

Citation: Akarowhe K (2017) Benchmarks for Business Administration for Sustainable National Development. Arabian J Bus Manag Review 7: 323.

Copyright: © 2017 Akarowhe K. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

needs in terms of sustainable development. Business administration is compound term for any profitable outfit which involves service rendering. According to Karen [3] business administration is a comprehensive and a purposeful outfit by an entrepreneur to direct a given establishment with the aim of maximizing profit and minimizing loss. Aluko and Sonaike [4] contended that business administration is a sub-set of business which projected benefits cannot be overestimated. Through business administration, businesses are expected to encourage innovations by seeking to improve their products and services [3,5].

Benchmarks in business administration for sustainable national development

In recent years the following are some of the benchmarks in business administration for sustainable national development:

1. **Employment Generation:** Before independence government establishment were the major employment of labor but these days with many business set up by entrepreneurs many people have gained employment with these enterprises and this has reduced the dependence on government establishment and large firms for employment. Effective and efficient business administration tends to be one of major employer of labor which helps in sustainable national development. These people employed receive their salaries and wages from these administrators of these businesses which will help them increase their standard of living.

2. **Technological Innovation:** Business administration brings about technological innovation in Nigeria. In most cases administrator of small, medium and large scale business brings about the emergence of new things in our environment. Most of the administrators of small medium and large scale business are highly intellectual and with the rate of advancement in technology the managers do not relent instead they carry on continuous research on how to improve on existing technologies. In the studies carries out by Aluko and Sonaike [4] it shows that small scale businesses in Nigeria acquires or improve domestic technology in the production of several goods such as bakery products, soft drinks, textiles, foot wears and soap production etc. and what seems to have been acquired was just further improvement in the technology of production so as to improve the quality of these goods.

3. **Improved standard of living:** Standard of living is the level of quality people in a particular society or country enjoying their living, which is not only affected by their level of income but the quality and quantity of goods and services made available to them. Small scale businesses, whether in manufacturing industry or services industry such as retailing, entertainment etc. contribute a great deal to the uplift in the standard of living of the people residing in the society where they are found.

4. **Increase in Social Amenities:** In recent times, business administration has ensure that establishment of businesses is accompanied by provision social amenities like pipe borne water, housing units at affordable prices, healthcare facilities, educational assistance etc. as their social responsibilities in communities in which they operate. Since poverty has a direct link to lack of basic needs of life (food, shelter, and clothing), provision of social amenities by entrepreneurs will help to eradicate poverty in Nigeria.

5. **Reduction of Inflation:** Inflation is not a new phenomenon in Nigeria. Gbosi and Omoke [6] defined inflation as a general increase in the prices of goods and services in all sectors of an economy. To stabilize prices of goods and services in Nigeria, concerted effort is needed. In this regard, business administrators' tends to minimize

cost of production of goods and services maximize profit taking into consideration the income per-head of the national of a country, through minimizing price of products. The implication is that more goods and services would be made available at affordable prices for the teaming Nigeria population. Prices of goods and services will be low when supply is higher than demand thereby enabling people with less income to buy basic necessities.

Phase of benchmarks for business administration for sustainable national development

In business administration various phases of implementing benchmark has been identified but for this study, I will use the Kelessidis [7] five phase of implementing benchmark.

1. **Planning:** During this phase the organization determines which process to benchmark and against what type of organization (small, medium, or large scale enterprise). Here, we identify customer needs and expectations. Also success factors are taking into consideration. Here it involve member of the organization (from top-to-bottom staffs) involve in team work a team through decisive memorandum.

2. **Analysis:** In this phase, data are analyzed to determine the performance gap between the source organization and the recipient organization. An indication of best practice is then evident. Here, there is a team work by members of the organization after field work compare data for meaningful decision.

3. **Integration:** It involves the preparation of the recipient for implementation of actions. it is done after data has been analyzed, steps are now taking to consider data from the field to real complex situation in the organization.

4. **Action:** This is the phase where the actions are implemented within the recipient organization. Here, goals are set by the organization and also it decides on change process through strong monitoring process and communication networks.

5. **Maturity:** This involves continuous monitoring of the process and enables continuous learning and provides input for continuous improvement within the recipient organization.

Hindrances faced in benchmarks for business administration for sustainable national development

Hindrances faced in benchmarks for business administration for sustainable national development in recent times are as follows:

1. **Poor Planning and Evaluation:** Business administration in most small, medium and large scale businesses tend to be poor strategic planners and seldom and inconsistently review their business performance [8,9]. Monkhouse [10] found that SMEs barely use non-financial measures let alone employ more complex and time consuming benchmarking techniques.

2. **Cost:** Business administrations in small businesses are also unlikely to be able to employ consultants to assist with the process [10]. Cost also prevents smaller businesses from gaining membership to associations who may be pro-active in providing its members with benchmarking data. A study conducted by Wright in 1993 found that expense was one of the most common reasons why small firms were prevented from benchmarking [10].

3. **Lack of Awareness and Understanding:** Lack of understanding about how to go about benchmarking is also a problem. Within the small

business sector there are many that feel the establishment of standards is important, but are challenged by the question of how to improve standards [11]. As stated earlier many business administrations in recent time are faced with problem of what benchmarking actually means and have little understanding of how to utilize available data for business improvement.

4. Staff Issues: Business administration in most small and medium scale businesses employ less than five people. Staff may be required to share a variety of roles including, administration, marketing, financial management and operations management. Such small businesses have limited resources and available time' [11]. This tends to retrogress the benchmarking process.

5. Inability to Source Benchmarking Partners: Another hurdle is to convince dubious managers of the potential benefits of benchmarking. Small businesses are reluctant to approach competitors for comparative purposes. 'Perhaps the greatest obstacle blocking benchmarking is the inability of small businesses to easily identify and contact appropriate best-practice companies' [12].

6. Lack of Accurate Data: In most business administration data are usually falsified by the administration which inversely hinder the process of benchmark. Ethical aspects of benchmark raise issues in relation to principles, guidelines and standards that define protocols for interaction. Businesses understandably, are protective about internal operations and innovations, which make it difficult for third party researchers to collect 'sensitive data'. This issue is discussed in detail below.

7. Poor Skills and Attitude: Lack of effective communication, fear of change, inadequate training, focus on the numbers not the process, loss of focus on the customer and resistance from employees are also considered to be serious impediments to successful benchmarking [13]. These barriers highlight that benchmarking is a huge and complex task, requiring dedication to ongoing effort.

Conclusion

Business administration has contributed to changes in the level of sustainable national development in the country and also its contribution to GDP and GNP of the country. Thus business administration in Nigeria has been able to achieve some expected target through well-defined benchmark. It can even perform better if better conditions of benchmark are provided for business administration.

Recommendations

1. Strong collaboration between the private and public sector should be harness. This will ensure meaning contribution of the public sector, due to the role it places in national development.

2. Seminars, workshops and symposia should be organize for individuals who have keen interest in business this will enlighten them and also to acquire new skills in their area of disposition. This will help to enhance national development.

Adequate finance should be making available for business administrators. This will help to ensure that new techniques for benchmarking are incorporate in their business outfits.

References

1. Sustainable Development Solution Network (2015) A Guide for Stakeholders: A global initiative for the united nation. Report for the UN Secretary-General. Paris, France and New York, USA.

2. National Planning Commission (NPC) and United Nation Development Programme (UNDP) (1997). Aid Management Programme: Management of Development Training Component Module I Prototype Version.
3. Karen EK (2008) Starting a Business Development Center in Nigeria. Bloomberg.
4. Aluko SO, Sonaik (1975) The contributions of small scale business in changing a depressed economy. School of Business Studies, federal polytechnic, Nasarawa State.
5. William GN, James M, Susan M (2005) Understanding Business, (7th edn.), Boston: McGraw-Hill/Irwin.
6. Gbosi AN, Omoke PC (2004) The Nigeria Economy and Current Problems. Olorunnishola Publishers.
7. Kelessidis V (2000) Dissemination of Innovation Management and Knowledge Technique: Benchmarking. Report produced for the EC funded project. Thessaloniki Technology Park.
8. Cassar G, Gibson B (1999) Planning Frequency in Australian Small Firms. Journal of Small Business Management 40: 171-186.
9. Glen W, Weerawardena J (1996) Strategic Planning Practices in Small enterprises in Queensland. Small Enterprise Research 4: 5-16.
10. Monkhouse E (1995) The Role of Competitive Benchmarking in Small to Medium-Sized Enterprises. Benchmarking for Quality Management and Technology 2: 41-50.
11. Issaverdis JP (1999) The Pursuit of Excellence: Benchmarking, Accreditation, Best Practice and Auditing. The Encyclopedia of Ecotourism, pp: 579-594.
12. Rothman H (1992) You Need Not be Big to Benchmark. Nation's Business 80: 64-68.
13. Elmuti D (1998) The Perceived Impact of the Benchmarking Process on Organisational Effectiveness. Production and Inventory Management Journal 39: 6-11.

Citation: Akarowhe K (2017) Benchmarks for Business Administration for Sustainable National Development. Arabian J Bus Manag Review 7: 323.