THE USE OF MICROCOMPUTERS IN SMALL SCALE BUSINESSES: A CASE STUDY OF SOME SELECTED SMALL SCALE BUSINESS CENTRES IN YOLA, ADAMAWA STATE

N. D. Oye and M. R. Odekunle

Abstract

The rapid advancement in computer technology is getting the widest coverage of all human operation these days. Business can only be fast, reliable and efficient today with the application of computer system. This paper therefore attempts to highlight the universal importance of microcomputers in small-scale business centres. Five (5) small-scale business centres were sampled for this research. A sum total of fifty (50) questionnaires were administered. Based on the findings, microcomputers are very important tools for the overall operations and services of small-scale business centres. Employees' use of computers and their knowledge affect their performance positively.

Introduction

The evolution of small-scale business in the world has been viewed remedies for all sorts of social problems confronting individual states or a country as a whole. These problems include, poverty, unemployment, crime, etc.

The small-scale industries provide the necessary platform to launch Nigerian industrial policies and strategies. This is to reduce the dependence on foreign goods and technology, to provide capital as well as employment for its people. The small and medium enterprises are a criteria cal factor in the growth of all economic and responsible for creation of majority of jobs throughout the world. Small-scale industries provide potentials for women and other traditionally disadvantage group to gain access to productive, sustainable and quality employment opportunities; it also helps in spreading of industry in part of a country. Small-scale business or enterprise is not operated in Nigeria alone, but it is operated all over the world. There are no two countries that have so far agreed on the same criteria for depending on a small-scale enterprise. The United Nation Industrial Development Organization sees small-scale business as, "those with less than one hundred and fifty (150) employees on their pay roll in Nigeria". The Central Bank for Monetary Policy proposal, regards it as enterprise whose annual turnover is less than five hundred thousand Naira (£4500,000). The Federal Ministry of Commerce and Industry sees it as an establishment with capital investment totaling two hundred and fifty thousand Naira (14250,000) and strength between 50 - 150 persons”. In India, small-scale enterprises are all manufacturing enterprises with an investment in capital of not more than (750,000) seven hundred and fifty thousand rupees.

According to United States Small Scale Association, any business unit with less than 250 persons whose annual turnover is not more than ten million dollars ($10,000,000) is small scale. In Indonesia, small-scale business means all the enterprises whether household or cottage with hundred (100) full time workers. During the past years, the United States of America (USA) has experienced the integration of the computer into society. Progress has been made to the point that small, inexpensive computers with expanded capabilities are available for innumerable uses. Many business centres as well as information centres have purchased and are still purchasing microcomputers for infusion into their fields. In modern offices as well as in industries, computers are increasingly being used for both manufacturing and processing data. The widespread introduction of computers and microcomputers is helping in directing and controlling the task of manufacturing and processing. Flexible manufacturing systems are now used consisting of computer controlled machines and roots that are linked by a central computer so that the system can be reprogrammed quickly to do different task each time the production that a factory makes. Even in Banks and other small-scale business organization, the computer has gone along way in helping to perform operation within the speculated time.

Scott and Roger (1987) defined microcomputers as a small computer, ranging in size from cheap personal computers up to large, desktop business machines. Typical business machines range from light portable machines with liquid crystal display up to heavy boxes capable of supporting several users simultaneously, together with printers and other input devices. Ugwu (1977) views microcomputers as, a general-purpose automatic electronic machine used to perform mathematical functions, to stores, process and retrieve information, at all very high speed. He further says that it has a large capacity for storing both data and programmes.
The control function of the computer (determine what operation is next) and the arithmetic function (to perform calculations) are both carried out by the Central Processing Unit (CPU). The CPU accesses the memory, which provides short-term storage for holding programs and data. Memory is limited in size, and is volatile. Hence, backing storage is also needed to provide more permanent storage for both computer programs and data.

Research Questions
1. Does computer serve as a basic tool for providing information for business effectiveness?
2. Can the use of microcomputers improve the services provided by small-scale business centres?
3. Is it possible for microcomputers to help in improving efficiency in business transaction?
4. Is a computerized business centre better than a manual set up?
5. Can the use of microcomputers affect employees performances on the job to a greater extend?
6. Do employees always have the knowledge of the system before gaining employments with the business centres?
7. Does the use of microcomputer affect customers' patronage of small-scale business centres?
8. Are customers highly satisfied with the quality product of computerized small-scale business centres?

Statement of the Problem
The research seeks to find out the importance of microcomputers in organizations and how they help small-scale businesses achieve their goals and profit.

Fig. 1: Components of a Computer

Inside the computer, wired together on the printed-Circuit board.

Outside of the computer (peripherals).

Source: Davies, 1986.
Common Types of Small-Scale Business

Small-scale business can be basically grouped into five (5) categories:

1. **Service Business**: This offers specialized and often technical services to customers and business owners, e.g., hair dressing, TV repairing shops, etc.

2. **Retail Business**: This sells products directly to the customers, e.g., book stores, pet shops, and florists. A retail business will often combine with a service business at one location, as in the case of a typewriter and office machine dealer/repairers.

3. **Whole Sale Business**: It employs capital raised in many ways to buy finished products from a manufacturer and resell them to retailers, who in turn sell them to consumers or for industrial use. **General Construction**: Build or rebuild homes, industrial buildings, and other structures. **Manufacturing Business**: Buy raw materials and
components to produce finished products. Because operating costs and risks are high, relatively few small business entrepreneurs start manufacturing firms without help from wealthy investors.

4. **Microcomputer Business Software**

5. Ayeni (1992) defines the term software as a set of programs or instructions, indeed to make any computer operate. According to Butler (1982), software is the manual, instruction and description of programs or hardware.

6. There are essentially two types of software: System software and application software.

7. * System software comprises the operating system which runs the computer, various utility programs routine tasks such as copying disks and printing files, as well as the computer and interpreters needed for program development.

8. * Application software on the other hand is software designed to carry out particular applications such as accounting or stock control. It is often the matter mostly concerned to the users, as he or she probably buys a computer to do a particular job, rather than as a general programming tool.

Application programs are frequently referred to as computer 'packages'. According to Reynolds (1985), four major categories of business software that will satisfy most of the requirements identified are:

9. (i) Accounting programs.

10. (ii) Spreadsheet programs.

11. (iii) Data base management programs.

12. (iv) Word processing.

13. Accounting Programs: These are popular with business and tend to be among the first few programs to be installed. The major types of computerized accounting applications are sales ledger and invoicing, normal ledger, purchase ledger, and payroll. A key difference between manually kept accounting records and which the computer programs can produce financial reports and statements. For instance, sales ledger and invoicing creating on invoice manually is time consuming especially if the invoices need to be typed rather than written. It involves careful checking, and copying of details from records onto the invoice before finally doing the calculation (see Fig. 4).

The process in Figure 4 is deal for computerization, provided that the stock records and most ‘customers’ records can be set up on the computers. To create an invoice on a computer system, it is only necessary to enter the customers' number together with the product numbers and order qualities. The rest of the invoice can then be created by the computer and printed, assuming the details have all been entered correctly.

Another example of an accounting program is the payroll. For most small business it is not worthwhile running payroll on their computer. The reason is that any payroll package takes fair effort to learn thoroughly and payroll is subject to frequent changes at government will. Another problem is that payroll is very urgent application. Invoices can be delayed for a day or two but a business cannot delay paying its employees.

The alternative for running a payroll is to use a computer bureau service at a computer firm. This required less effort and it is relatively cheap, especially for the monthly paid staff.
Assuming this has been set up correctly, the system will produce pay slip and payment slip for the bank, and it will also produce various reports. These include tax and National Insurance reports, a coinage analysis and a cost analysis report.

**Spreadsheet Programs:** Spreadsheet programs are the perfect tools. For financial analysis and planning. A spreadsheet program provides the electronic equivalent of a paper row and column worksheet. It can contain the functions needed to perform basic arithmetic or advanced financial calculations. The major advantage of an electronic spreadsheet is that recalculations are done automatically.

**Word Processing:** They are very popular with business people, who often first venture into computer work through word processing. Word-processing programs are far more productive and efficient than type-writers. Document prepared with a word processing program can easily be raised, and blocks of text added, or moved. The most commonly used word processors are word perfect and Microsoft word. It is possible to use word with just an ordinary keyboard, selecting editing options by pressing the appropriate function key, but it is much easier around on your desk, thus, moving the cursor to the required point on the screen.

The menu editing command of both word perfect and Microsoft word are at the top of the screen and to select a command. It is only necessary to move the cursor to that command on the menu and then press a button on the mouse to signal your choice.
Research Methodology

Five business centres were sampled for this research. The sampling method adopted was random sampling. The names of the business centres are:

(i) Jemars Business Centre, Yola.
(ii) Benamy Business Centre, Yola.
(iii) Prestige & Information Business Centre, Yola.
(iv) El-Shadai Business Centre, Yola.
(v) First Class Business Centre, Yola.

A sum total of fifty (50) questionnaires were administered. The sample population for this research was the staff and customers of the selected business centre in Yola metropolis. Therefore, the research had its data from the selected centres. In order to get a clear picture of respondents’ opinion, the researcher used percentage scores as a tool for analyzing the findings. This was done using the following formula.

\[
\text{Frequency of opinion} \times 100 \\
\text{Total number of questionnaires}
\]

Procedure for Data Analysis and Findings

The data analysis seeks to access the various views of the respondents on the use of microcomputer in small-scale business. Eight (8) research question were considered.

Research Question 1

Does computer serve as a basic tool for providing information for business effectiveness?

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<tbody>
<tr>
<td>Responses</td>
<td>48</td>
<td>2</td>
</tr>
<tr>
<td>Percentages</td>
<td>96</td>
<td>4</td>
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</table>

Here, one could see that 96% of the respondents agree with the statement that computers serve as a basic tool for providing information for business effectiveness and so the hypothesis is seriously upheld.

Research Question 2

Can the use of microcomputers improve the services provided by small-scale business centres?

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<tbody>
<tr>
<td>Responses</td>
<td>40</td>
<td>10</td>
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<tr>
<td>Percentages</td>
<td>80</td>
<td>20</td>
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Here, the result shows that only 20% of the respondent disagree with the statement, that the use of microcomputers improves the services provided by the small-scale business centres. On the other hand, 80% agreed with the statement. Hence one could therefore accept the hypothesis that, the use of microcomputer improves the services provided by small-scale business.

Research Question 3

Is it possible for microcomputers to help in improving efficiency in business transaction?

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<tr>
<td>Percentages</td>
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Here, one could rightly point out that microcomputers help to improve efficiency in the business transaction since the majority (98%) agree while only few (2%) disagree with the statement.

**Research Question 4**
Is a computerized business centre better than a manual set up?

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The table shows that 96% agree with the statement that a computerized business centre is better than a manual set up and 4% disagree with the same statement. Thus, we can conclude that, the use of microcomputers improves the services provided by the small-scale business centres.

**Research Question 5**
Can the use of microcomputers affect employees' performances on the job to a greater extend?

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<td>Responses</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Percentages</td>
<td>70</td>
<td>30</td>
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</table>

In this case, 15% respondents disagree with the statement that the use of microcomputers affects employees' performance on the job while 35 respondents agree with the same statement. Since 70% of the respondents agree with the statement, we conclude that, the use of microcomputers affects employees' performance on the job.

**Research Question 6**
Do employees always have the knowledge of the system before gaining employments with the business centres?

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Eighty percent (80%) of the respondents agree with this statement. Thus, the statement is highly accepted.

**Research Question 7**
Does the use of microcomputer affect customers' patronage of small-scale business centres?

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It is clearly shown here, that 30% of the respondents disagree with the statement that the use of microcomputers affects customers' patronage of small-scale business centre. However, 70% of the respondents are in agreement with this statement. Thus, one can conclude that, the use of microcomputers affects customers' patronage of small-scale business centres.