

SMALL AND MEDIUM ENTERPRISES (SMES): AN IMPERATIVE TO BUILDING TECHNOLOGY ENTREPRENEURS FOR A DURABLE INDUSTRIAL DEVELOPMENT

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Abstract

The world economics today is driven by knowledge, skill and technology rather than energy intensiveness; hence; this paper, titled Small and Medium Enterprises (SMEs): An Imperative to Building Technology Entrepreneurs for a Durable Industrial Development; is to appreciate that during training in technical and vocational education (TVE), some ideals are to be imbibed; therefore there is need to put these ideals into practice through small and medium enterprises. An x-ray into the framework of Small and Medium Enterprises (SMEs), on the utility value of Small and Medium Enterprises and Building Technology Education and the Entrepreneurs was illuminated. This paper also recommends emphasis on technical knowhow and entrepreneurship to manage enterprise rather than trial and error and energy intensiveness.

The building construction industry is an industry where a lot of job opportunities and career prospects abound; in a situation where the entrepreneur can identify these opportunities and properly harness them; employment creation will be possible with the knowledge of entrepreneurship education which is now compulsory at the tertiary institutions as a panacea to unemployment. The national policy on Education (2004) lays emphasis on the need for beneficiaries of vocational and technical education to be self-reliant. A graduate of building Technology education rather than seek for a white collar job can set up a small business enterprise, as a small and medium enterprises. SMEs provide good training ground for entrepreneurship development which drives the wealth creation process at all levels of employment generation, industrial dispersal and above all will help one attain sustainable industrial development.

Technical and Vocational education (TVE), in which building technology education is one of the range of courses, is education designed to develop skills, abilities, attitudes and understanding work habits and appreciation encompassing knowledge and information needed by workers to enter and make progress in building trade employment, on a useful and productive basis and above all for the individual to be

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self-reliant and contribute to sustainable industrial development. The World Commission on Environment and Development (WCED) (2012), defined Sustainable Development as “development that meets the need of the present, without compromising the ability of future generations to meet their own needs. Therefore, sustainable development means thinking of the future and a way out of the present (unemployment).

Okwuanaso (2010), asserts that many graduates who go to work via entrepreneurship route fail because of their little knowledge of what it takes to manage a business effectively. Iloeje and Anyanwu (2013), state that in Nigeria, each year, several new enterprises are started but only half are in existence for eighteen months or less, while only very few last after four years. The failure of small scale business has been attributed to lack of access to Finance, inappropriate management skills, Lack of entrepreneurship education, drive skills and technical knowhow, poor infrastructure, poor access to information and communication among others. Therefore this paper will discuss;

- The Framework of Small and Medium Enterprises (SMEs)
- The relevance of Small and Medium Enterprises (SMSs)
- Building Technology Education and Entrepreneurship

The Framework of Small and Medium Enterprises (SMEs): An enterprise can be categorized into three types: Small Scale Enterprises, Medium Scale Enterprises and Large Scale Enterprise. The term of small and medium are relative and they differ from industry to industry and country. The difference amongst industries could be ascribed to the different capital requirements of each business, while those among countries could arise as a result of differences in industrial organizations of countries of different stages of economic development. What might therefore, be defined as SMEs in a developed country can be regarded as a large scale enterprise in a developing country, using such parameters as fixed investment and employment of the labour force.

In Nigeria, several attempts have been made to define and classify SMEs, and probably due to differences in policy focus; different government agencies apply various definitions. Oluka (2012) defined a small scale enterprise as one with a working capital base not exceeding ₦250, 000 and employing on full time basis, fifty workers or less. The Nigerian Industrial Development Bank (NIDB, 2011); defined small scale enterprises as an enterprise that has investment and working capital not exceeding ₦750,000 while it defined medium scale businesses as those operating within the range of ₦750,000 to ₦3.0 million. The National Economic Reconstruction Fund (NEFUND), the agency saddled with the responsibility of financing SMEs, defined Small Scale

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industries as those enterprises with total investment of between ₦100, 000 and ₦ 2.0 million excluding the cost of capital but including working capital.

In view of the unemployment situation in the country (Nigeria), a small scale enterprise for the building technology education entrepreneur is defined as an enterprise with investment and working capital less or equal to ₦ 250,000. From this definition, it can be seen that the building technology education entrepreneur will be able to indentify needs and be able to work and manage policies to compensate for the specific problems linked to this size of enterprise. Generally, the definition of micro, Small and Medium Enterprises (MSME) according to Omobolanle (2013) is based on five main parameters: labour, capital, loan size, fixed asset and annual sales turn over. Small and Medium Enterprises (SMEs) play significant roles in the sustainable industrial development and growth of developing or developed nations. SMEs represent a veritable vehicle for attaining the industrial development and poverty alleviation programme.

It is however, worrisome that despite the incentives, policies, programmes and support aimed at revamping the SMEs, they have performed rather below expectation in Nigeria as most of them die within the first few months or years of existence. Many factors have been identified as possible causes or contributing factors to the premature death of SMEs. These factors, according to Owaiwe (2010), include: insufficient capital, lack of focus, inadequate market research, inexperience, lack of proper book-keeping, lack of proper records or no records at all, lack of business strategy, planlessness, irregular power supply, infrastructural inadequacies, government policy inconsistencies, uneasy access to funding, lack of entrepreneurial spirit and skills and also lack of entrepreneurship education and drive. It is pertinent to note that the major characteristics of Nigeria entrepreneurs are that they are relatively small in size. Although, a number of them are large, their establishments are on the average small, both in terms of capital investment, turnover, and number of people employed (Nwokoye 2013).

Relevance of Small and Medium Enterprise (SMEs) in Building Technology

According to the country's financial system strategy 2020: Small and Medium Enterprises (SMEs) are acknowledged worldwide as the catalysts for rapid and sustainable economic growth and the main driving force behind job creation, income distribution, reduction of income disparities and wealth creation. (Federal Republic of Nigeria, 2007).

The relevance of SMEs to building technology education entrepreneur are easily noticeable, they include: contribution to the sustainable industrial development in terms

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of production of sandcrete blocks for building construction, services as building supervisors, cost estimation of building projects, architectural detailing of drawings now using Auto CAD and Arch CAD designs. The ground development of skilled and semi skilled workers as a basis for the future expansion of the building industry, provides opportunities for developing and adapting appropriate technological talent (Nigeria Business Info.com, 2010).

The SMEs have been indentified as the Key bricks that could effectively drive the development process and improve the living standards of the citizens and if embraced, by building technology education entrepreneurs; it will manifest in the following ways:

Entrepreneurship Development

The SMEs will provide a good preparation ground for the development of indigenous building technology education entrepreneurs. From the entrepreneurship development aspect, the SMEs bear direct relevance to the empowerment of the population for industrial development. The embrace of the SME's will serve as a major variable for promoting private sector development and partnership. It will also serve as a means for achieving equitable and sustainable industrial diversion; employment generation, more jobs per unit of capital employed than the big businesses.

Industrial Dispersal: The SMEs will help industrial spread of building technology education entrepreneurs as they could be in all the nooks and crannies of the country. They must have the capacity to stem rural-urban migration. Other key relevance of SMEs include, mobilization of domestic savings for investment, harnessing of local raw minerals, skills acquisition, advancement in technology and expert growth and diversification. With Nigeria as a developing country the relevance of SMEs is important, since SMEs often offer very realistic prospects for creating additional employment opportunities, thus enhancing the quality of lives and national development.

Building Technology Education and Entrepreneurship

Building technology is a form of educational training aimed at preparing and equipping participants with knowledge, skills and attitude in the field of; drafting – architectural design, plan drawing using Auto-CAD, block laying and concreting, costing and estimation, building structures detailing, plumbing, repairs and installation, and supervision of the construction of buildings. An entrepreneur in this field is a person that possesses both technical and pedagogical qualifications and expected to be able to establish a small scale industry, thereby becoming self-reliant; and for him to be able to

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function properly, he needs to put into practice knowledge of entrepreneurship education acquired in school. An entrepreneur is the one who organizes, manages and assumes the needs of a business enterprise. He is a person who has decided to take control of his/her future and become self-employed; whether by creating his own unique business or working as a member of a team at multi-level vocation. He is a person who has possession of an enterprise or venture and assumes significant accountability for the inherent risks and the outcome. He is an ambitious leader who combines land, labour and capital to create and market new goods and services (Osula 2009).

Entrepreneurship is a vital factor in sustainable industrial development. Entrepreneurship is the willingness of an individual to seek out investment opportunities, establish and run an enterprise successfully (Okoro 2010).

Entrepreneurship includes identification of investment opportunities to exploit, promote and establish the business enterprise assume the risk and carryout needed renovation. In order to possess the necessary entrepreneurial skills needed to succeed in business, there is need for entrepreneurship education. According to Kauffman (2010) entrepreneurship education is the process of providing individuals with concepts and skills to recognize opportunities that others have overlooked and to have insight, self esteem and knowledge to act where others have hesitated. It includes instructional opportunity, recognition, marshaling resources in the face of risk, and initiating a business venture. With entrepreneurship education the building technology education entrepreneur should be self reliant, a job creator and not a job seeker, as entrepreneurship perspective can be developed in an individual. Entrepreneurship plays a crucial role in the innovations that lead to technological changes as productivity growth. When entrepreneurship is embraced by building technology education graduates, job opportunities will be created as services can be rendered through SME's as training of technicians in the field of building technology on how to draw using auto CAD; arch CAD designing. In the area of block laying and concreting skills, he can set up a concrete casting team for concrete structure construction such as concrete kerbs, interlocking tiles, balusters and balustrade. Services in the area of costing and estimation for prospective builders on the project, cost of the project, can be known with the general supervision of building; all these contribute to a durable industrial development when properly harnessed.

Conclusions

Studies have indicated that the sustenance of interest in small and medium enterprises (SME's) in a developing economy is due to technology as well as social reasons, more so, as their economics are currently driven by knowledge, skills and

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technology, as opposed to material and energy intensiveness. Skills and technology have been acquired through Technical and Vocational Education and Training (TVET) coupled with entrepreneurship education in which entrepreneurial skills have been equally imbibed during Training.

The building technology education entrepreneur needs to summon courage and explore the SMEs for the creation of employment. It has become necessary to put into practice all that was learned with skills acquired in school into entrepreneurship for sustainable industrial development.

Recommendations

This paper recommends that:

1. Knowledge of entrepreneurial skill should be used to serve as a drive for self reliance, and success in entrepreneurship.
2. Emphasis be laid on how to set and manage the business through knowledge of entrepreneurship education than on trial and error and energy intensiveness.
3. There is the need for building technology education entrepreneur to put the skills, attitudes, work habits and self reliant ideals acquired into practice.

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