

EDUCATION AND ENTREPRENEURIAL SKILL DEVELOPMENT FOR SMALL SCALE BUSINESS: THE WAY FORWARD

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Abstract

Education as the base of all knowledge and skill acquisition is looked upon as a means of imparting the necessary skill and knowledge for operating small-scale business. These small-scale businesses form the base for our economic well-being. Lack of necessary knowledge and skill constitutes an obstacle to successful business operation. Some basic entrepreneurial skills include management skills involving workforce to employ, site selection, risk analysis skill, business forecasting and expansion, inventory control and finance management. The government and education planners are to show positive concern to small-scale business operators. Incentives as credit facilities should be provided as encouragement.

Introduction

The present situation in our country concerning setting up and managing personal business ventures is an accepted issue. Education we know is aimed at equipping individuals with skills and knowledge needed for survival. The survival is not that of the individual alone but, it cuts across others. Moreover, in our desire to catch up with other developed nations, Nigeria has resorted to education as an instrument for excellence and an effective way of building her citizens.

The development of the individual's entrepreneurial ability leads to meaningful socio-economic transformation. Steinhoff and Burgess (1993) uphold that people go into entrepreneurial activities because of their desire for higher income, prestige, self-actualization, satisfying career, long term wealth, and of course to contribute to humanity's comfort and satisfaction. Realizing that most people who engage in these business ventures lack basic knowledge about business management will help out a long way. Education for entrepreneurial skill should gear towards teaching of necessary skills relating to the nature of business market, and how to manage business ventures effectively and efficiently too.

It should be noted that a country is looked at as developed when its citizens engage in various entrepreneurial activities. This is a base for growth. It is a common observation that one is spurred into this activity by such factors as desire for independence, good job, good income, and achievement.

Entrepreneurship is an act of taking risks and investing resources towards making profit for a satisfactory living, Igbo (1995), opines that entrepreneurship involves risk taking in finance, human and material resource in a new dimension with a view to create new business opportunity. Stoner and Freeman (1995) define entrepreneurship as the continuous process of combining resources to produce new goods and services. Entrepreneurship simply means the pre-determined decision to pass through a pool of risk towards positive economic achievement by combining finance, human and material resources. Entrepreneurial activities lead to the development of small-scale businesses.

Osuala (1993), defines small business as any business that is owned, managed and controlled by a sole proprietor, or partners of about two persons, with little capital and a small share of the market. Osuala goes further to say that small-scale business constitutes about 50% of the employed workforce in Nigeria. It should be noted that, this venture is growing at a rapid rate, and its contributions to the nation are enormous. Ojukwu (2000) points out those experts in entrepreneurship agrees that small-scale businesses form the basis for mobilizing and utilizing domestic savings and dormant resources for the benefit of the people.

Education is the only source through which we can achieve this objective. This paper looks at why it is necessary to give this education and the obstacles to entrepreneurial practices. It also takes a look at some basic skills needed for the establishment and development of small-scale business. A look is taken at how education is very appropriate for developing such skills, and what can be done to move forward. Some recommendations are proffered and conclusion is drawn.

Obstacles to Entrepreneurial Practices

Having noted that small-scale business constitutes about 50% of our economy. It has become necessary to point out some of those things which are confrontational to the easy operation of these

enterprises.

Lack of the needed knowledge and skill about entrepreneurial activities constitutes a setback. Most of those engaged in these activities have not attended any educational programme that will help widen their knowledge and ability. They are not most of the time aware of an existing credit facility for such a venture. This lack of knowledge hinders their ability to predict the future of business operations. They lack the fore knowledge of possible risks, which may lead to failure in achieving their set objective.

The system of record keeping and retrieval are not straightened. Management inefficiency are seen in their poor site selection, stock control, poor accounting procedures. Osuala (1993) outlines uncertainty of income risk of losing invested capital, prevailing economic condition of the entrepreneur, and lack of complete responsibility as the major drawbacks of entrepreneurship.

Lack of enough employment opportunity is another good reason why education should aim at developing entrepreneurial knowledge and skill. .

Education and Entrepreneurial Skill Development

The challenge facing the survival of small-scale businesses in Nigeria raises a serious issue for the education industry. The personal attributes and environmental influences are very much important. Education since it is concerned with imparting of knowledge with regards to business, survey activities and approaches, as well as the feasibility study on market potentials and situations to be held responsible to impart these skills. Anioke (2001) notes that education, since it is generally seen as an asset worth having by almost all classes of people, is valuable, and helps to preserve cultural intricacies, and widen people's knowledge and appreciation of skills involved in our every day life activities.

By implication education being a human capital development programme stands the chance of developing the human potentials necessary for establishing small-scale business. Education gives the basic as well as in depth exposure of adapting to the entrepreneurial climate and changes. The role, which the school education system plays in the development of entrepreneurial skill, has gained wide recognition. Hence, the popular opinion and concept of most parents and guardians in encouraging their children and wards to at least have basic education of first school leaving certificate or Junior secondary school certificate before going for trade or craft apprenticeship programme. At this level it-is expected that the needed boldness, creativity, and ability to build, goodwill must have been gained,

The above training, experiences, and skills gained helps a long way to increase the number of persons going into entrepreneurial activities. Nafziger, (1970) and FME in Ojukwu (2000) hold the view that, the training, experience, skills, awareness, inculcation of right type of values, and attitudes gained from education are most suitable for entrepreneurial endeavours and the survival of the individual. Education is seen at the frontier for entrepreneurial skill development. Educational institutions should meet the challenges of preparing our citizens for self-employment and reliance through entrepreneurship education. The development of these knowledge and skills helps overhaul the entrepreneurial activities.

Education, which ever way it is viewed, stands the better chance of inculcating in our citizens the best knowledge, skill, attitude and approach towards successful business activities.

Some Basic Entrepreneurial Skills Needed for the Establishment and Development of Small Scale Business

There are some basic skills needed for the successful establishment, management, and growth of small-scale businesses. Such skills if not properly inculcated in such individuals that go into small-scale business may affect the business growth and eventual success. For easy discussion, the skills will be lumped into segments:

Management Skills

The ability to work out the number of working personnel needed for the size of business is a very crucial decision. The ability not to over staff or under staff the business forms a base for the business take off. Also important here is the caliber of persons to hire in terms of educational qualifications, and other personality traits. A good selection method must be adopted while trying to pick from several applicants. The best position to place the selected person for effective utilization calls for consideration. This is important as wrong placement may result in poor performance and low output: Disciplinary measures should be fairly worked out. Harsh measures should be avoided unless in extreme cases. Personnel promotion should be given a fair consideration. This, when properly carried out, encourages maximum performance, and thus subsequent growth of the business. Staff turnover rate should be monitored and guarded against. Efforts should be made to reduce the rate of staff turnover.

An articulating, clever, and glamorous sales lady or boy is sure to perform better than a dull and tight-faced person. The degree of honesty of the person is also important. The ability to relate fairly and freely with customers is to be cultivated. The relationship or rapport, which the business attendant exhibits towards customers, is important. The person's general behaviour should encourage people to come back next time and not expose them (customers) to regrets and run-away attitude.

Still under the management skill is the considerations of the possible and most appropriate place to site the business. The choosing of site should not be done by chance. It is quite advisable to locate business where there is an experience of substantial growth in terms of population and other industrial growths. Serious consideration should be given to availability of other facilities. Such as good road network, telephone services, water, presence and positive impact of government, bank services, and other such relevant resources. The issue of job classification and specification should be well understood and given attentions. The ability to classify the various jobs of the business is important, then, followed by the ability to specify the job limit of each worker. This is very important, as it is a kind of division of labour approach. It exposes every worker to specific challenge, and hence, effort is geared toward achieving the set goal. This subsequently leads to growth and success. And in case of any failure blame should be apportioned directly. So, this practice keeps everybody at an alert.

Risk Analysis Skill

The success of any business depends also on the ability of those who manage the business to sense risk and be able to stop it early enough. The sensitization and subsequent management of a risky situation will help the business survive and grow to a successful size. Risk, like we know, means uncertainty about a future possible loss. In dealing with risk, Osuala (1995) outlines a combination of four types of risk strategy, namely risk avoiding, risk, reduction, risk anticipating, and risk transferring or spreading. To be a successful business owner or operator one should have the ability to manage and overcome risk through one of the above means. In addition to any of the above the manager can set aside a certain amount to cater for risks in case of occurrence.

The manager should have the ability to predict some actions that may result in risk occurrence, example, for those who engage in hoarding activities, serious prediction is needed as to when to sell out for maximum profit or gain. Security is another issue to be considered. This is especially important during site selection, structural set ups or building architectural designs and burglar proofing works. The in and out let gates should be well fortified and capable guards put in place.

The managers must know and understand the legal aspects of the business they engage on. Government policies and regulations regarding such businesses must be understood and complied with early enough. This compliance is important to avoid going into confrontation with the government, as this may be disastrous. Also to be duly considered is the legal standing of assets such as trademarks and how long such protection may last.

Also to be considered early enough is the competitive nature of the market, and the manager's ability to enter into the market successfully and have a fair share. The ability to capture the market's interest is very important. This should be one of the early skills to develop and exhibit This first introduction of the business product should receive a favourable acceptance. The skill to predict competition and work out how to stand such situations is very much needed. Unless this is done the survival and growth of such business may be jeopardized.

Business Forecasting and Expansion Propensity Skills

It is of paramount importance that the business operator be in a good position to predict the demand flow with regards to the product he is marketing. This is very important, as it will help regulate his procurement pattern as well as his goods disposition style. There should be a clear understanding of the appropriate time to expand on the volume of goods to keep and control at a given period. Business expansion should be timely so as to get the desired result of positive growth and ultimate success.

Inventory Control Skill

This skill is necessary for two main reasons. The need to reduce cost of business operations and the ability to maintain enough stock to meet customer's demand. The ability to keep record about stock brought in with dates and how such stock is sold out. That is, stock liquidation rate should be understood, and business activities geared towards that direction-the skill of knowing when and how to place order for stock replacement. The knowledge of stock inventory control is a necessary skill for a successful business operation.

Finance Management Skills

The ability to source fund for the take off of the business operations is a necessary skill. The raising of fund for structures and facilities for the business activities. The planning of workers' pay packages and other running costs all borders on the finance management skill of the business operator. The skill to know where and how to invest the monetary resources is another good skill.

Whichever way, finance constitutes the basis for successful business operation. The ability to manage the financial resources well determines the level of success of such business. Careless expenditures should be avoided.

There are some other skills necessary for a successful business operation. Such include the ability to relate well with customers, honesty in all situations, keeping of good personal relationship with customers, avoidance of excessive credit to customers. The basic experience of the business operator about such business counts a lot in his activities.

Osuala (1995), points out the specific reasons for business failure to include management incompetence, lack of experience, lack of capital, inappropriate location, lack of inventory control, over investment in fixed assets, poor customer credit practices, unplanned expansion, improper attitudes such as laziness, extensive vacationing and unethical behaviour. From the above points raised, it is most advisable for business operators to avoid such practices as they are detrimental to the success of business operations. Adopting a reverse attitude to the above points will no doubt help 'small scale business operators run a successful business.

The Way Forward

Anyakoha, (1987) highlights that a person can only be self reliant, self-employed, and gainfully too, when he/she has acquired the necessary skills. This makes it become pertinent that Nigerian citizens who go into entrepreneurial ventures should be well exposed to and equipped with the required necessary knowledge and skill. The education planners should first appreciate this situation and feel concerned about it. They will then make it a point of duty to develop a comprehensive curriculum content to cover the necessary areas for the venture.

The government should provide credit facilities for those who need it. Individuals should be encouraged to help out through soft loans, though with a good watching eye of the government.

Qualified and capable personnel should be employed and placed in fitting positions to impact this knowledge and skill. It will also be of value to institute extension services to those who are out of school system but have interest in entrepreneurial activities. Evening lessons, seminars, and workshops can be organized to help out. Other extension services may include shop to shop outreach activity for personal chatting and briefing.

Refresher courses and technically loaded programmes can be organized by the union governing these individuals. Orientation courses can be organized for beginners, A well rooted entrepreneur will be of help to himself, people around him and the economy in general. Osuala, (1993) emphasizes that small businesses play a crucial role in the nation's economy though many people have not noticed or acknowledged this impact. Osuala maintains that small business has built the Nigerian economy and has continued to sustain it.

Conclusion/Recommendations

The establishment and management of small-scale business by capable entrepreneur helps in building an individual economy wise. And no nation can succeed in its economy without small-scale businesses. The government and well meaning citizens can help individuals start up and manage small-scale businesses.

Emphasis should be laid on the role played by small-scale businesses to the well being of our economy. People should be encouraged fund wise to engage in this venture. Banks should be floated by the government to offer credit facilities. The big industries should be discouraged from overshadowing, and intimidating the small businesses.

The government should not lose sight of the contributions of small-scale business to the well being of the citizens, and its contributions to the economy.

It is therefore recommended that government should: *provide credit facilities to this level of business operators, organize workshops and seminars at internals for them.* Embark on enlightenment tour especially to the rural areas and suburb.

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