

ENTREPRENEURS' RATING OF TECHNICAL COMPETENCIES REQUIRED OF BUSINESS EDUCATION GRADUATES FOR ESTABLISHING SMALL AND MEDIUM SCALE ENTERPRISES IN ANAMBRA STATE

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Abstract

The need to improve employment opportunities and self-reliant necessitated this study to ascertain entrepreneurs' rating of technical competencies required of business education graduates for establishing small and medium scale enterprises in Anambra State. One research question guided the study and two null hypotheses were tested at 0.05 level of significance. Descriptive survey research design was employed. The population consisted 811 small and medium scale entrepreneurs in Anambra State. A total of 243 of these entrepreneurs were sampled using the proportionate stratified sampling technique. The instrument for data collection was a structured questionnaire titled "Technical Competencies for Establishing Small and Medium Scale Enterprises Questionnaire (TCESMSEQ)" with 10 items. The instrument was validated by three experts. The reliability coefficient was 0.79 and was obtained using Crombach alpha method. Out of a total of 243 copies of the questionnaire distributed, 232 copies were retrieved which represented 95 percent retrieval. The data collected were analyzed using mean and standard deviation in answering the research questions and to check the respondent responses to the mean. The z-test and ANOVA were used for testing the null hypotheses at 0.05 level of significance. The findings revealed that technical competencies were considered required of business education graduates for establishing small and medium scale enterprises. The findings also revealed that gender had no significant influence on SMEs operators' consideration of the technical competencies required of business education graduates for establishing small and medium scale enterprises. Based on the findings of this study, it was concluded that SMEs entrepreneurs in Anambra State were of the opinion that Business Education graduates required technical, competencies for the establishment of small and medium scale enterprises. The study recommended among others that the administrators of business education programmes should partner with entrepreneurs to organize training programmes that will help equip business education students with the requisite technical competencies.

Key words: Entrepreneur, technical competencies, business education graduates and small and medium scale enterprises

Introduction

In Nigeria, unemployment and poverty among youths are on the rise. For instance, Onyebu (2014) found that the number of Nigerian youths not employed were over 50 percent. Onyebu further noted that over the years, the federal government has initiated various programmes aimed at eradicating unemployment and poverty especially among the teeming youths. Unfortunately, the poverty eradication programmes of the Federal Government have not yielded tangible results as Nigeria still ranks among the 25 poorest nations in the world despite its huge resources both material and human (Oba, 2012). Though Nigeria is the most populated black nation in Africa and eight in the world with a population of over 170 million people, the country has a nominal Growth Domestic Product of £207.11 billion (Ezeani, 2014). The Human Development Index in 2008 ranked Nigeria as 148th out of 173 poorest nations. The situation confirmed the observation by Segun (2010) that poverty in Nigeria has reached an alarming stage as more than 45 percent of the Nigeria population live below poverty line and 67 percent of the poor are extremely poor.

Similarly, collapse and dearth of many small and medium scale enterprises have been on the rise. It is on this basis that Ezeh (2011) reported that every year in Nigeria, a number of small and medium scale enterprises spring up but many eventually collapse within a short time frame. This according to Ezeh is attributable to lack of adequate entrepreneurial competencies among the operators of small and medium scale enterprises. There is no doubt that the acquisition of requisite entrepreneurial competencies would enable both prospective and practicing entrepreneurs to be able to surmount all the challenges emanating from the ever dynamic business environment.

The present economic reality in the country shows that the situation has not improved in any way. Nwanewezi (2010) noted the high rate of unemployment in the country as attributed to lack of employment opportunities, as well is the unemployable nature of Nigerian graduates. It seems that Nigerian graduates are not exposed to qualitative education that would empower them through entrepreneurship towards becoming self-reliant.

In relation to eradicating poverty, Oba (2012) asserted that the place of youth education and entrepreneurial programmes that would genuinely address and encourage youths to be involved in entrepreneurial practices are what the nation need at this time. Thus, the only way to empower the youth is to provide them with adequate and qualitative education in order to make them self-employed, job creators and to eradicate poverty in their various communities. Many countries of the world including Nigeria among others have considered business education as relevant in equipping young people with necessary skills and competencies that would enable them engage in skill acquisition and productive livelihoods (Ezeani, 2014).

Aliyu (2006) defined business education as the intellectual and vocational preparation of people for earning a living in a contemporary business world. Udoh (2010) conceived business education as a means by which an individual develops understanding and skills which enable the individual to enter into the business world and be self-reliant. It has very definite vocational objectives such as the provision of training for specific type of jobs to develop and use these skills. In line with the above view, Adeshina (2007) opined that business education is a training that encourages the beneficiary to acquire skills necessary to fit into the world of work. Business education is desirable for equipping graduates with competencies necessary for self-employment which is particularly important in the present depressed global economic situation by equipping individuals with life-long skills for employment (Udoh, 2010).

Business education aims at providing training for specific type of jobs, developing the ability to use skills in the environment of business and helping learners become intelligent consumers of goods and services. It is expected that business education students upon graduation can establish their own small and medium scale enterprises instead of searching for white collar jobs which are not readily available. The establishment of these small and medium scale enterprises would indeed help to salvage the country from the shackles of poverty and unemployment.

Small and medium scale enterprises (SMEs) are enterprises with a minimum asset base between N1,000,000.00 and N2,000,000.00, excluding land and working capital, with the number of staff employed by the enterprise not less than five and not more than 300 (Olabiyi, Akanni & Ajibade, 2014). One of the common features of SMEs is that they are either sole proprietorship or partnership and have centralized management structure (Udechukwu, 2011).

Furthermore, the level of industrial development expected to be generated through development of SMEs compared to the need of the country has never been achieved. Salami (2003) observed that there has been high mortality rate of SMEs in the country due to lack of entrepreneurial skills and competencies required by small and medium scale entrepreneurs. According to Salami, inadequate entrepreneurial skills and competencies have resulted into reluctance of banks to extend credit facilities to SMEs entrepreneurs. In the same vein, most vocational centre trainees expected to acquire skills for self-reliance and join the pool of entrepreneurs for industrial development of Nigeria do not have acquired entrepreneurial skills and competencies (Segun, 2010).

In view of the objectives of business education programme at the university education level, the graduates of this programme who are expected to venture into SMEs require adequate entrepreneurial competencies so as to be able to run these businesses successfully. It is in line with this that entrepreneurship education was integrated into the curriculum of tertiary institutions in Nigeria (Ezeani, 2014). However, to equip business education graduates to successfully operate these SMEs, certain entrepreneurial competencies are essential. By virtue of this competency, the

graduates will be completely equipped to surmount challenges arising from either the internal or external business environment.

Olaitan (2003) stated that to be competent means that the individual has acquired the knowledge, skills and attitudes in order to perform successfully at a specified proficiency level in a given work. Man, Lau and Chan (2006) viewed competency as the capacity to perform a task or tasks skilfully and effectively. Entrepreneurial competencies as applied to this study simply refer to the sum total of all attributes, skills and abilities required for successful operation of small and medium scale business enterprises (Ezeh, 2011).

It, therefore, follows that if business education graduates are trained in the entrepreneurship sector, they can become competent entrepreneurs. However, there are various entrepreneurial competencies that business education graduates require for successful establishment of small and medium scale enterprises. For the purpose of this study, emphasis would be placed on one major entrepreneurial competencies identified by Ezeh (2011). They include technical competencies.

Technical competencies refer to job specific knowledge and techniques required to perform organizational role. It refers to the abilities and experiences that allow an individual to perform a task successfully. Technical competencies involve the proficiency or ability to use knowledge, equipment, materials and other non-human resources in performing activities necessary to help accomplish some set goals (Ogunleye, 2011). Udechukwu (2011) revealed that learners required new knowledge, skills and technical competencies for effective operation in their various disciplines upon graduation.

The influencing factors in the content of technical competencies for SMEs required by business education graduates could be the gender and type of enterprises. Ismail, Soladoye, Bernice, Oloyede and Olawale (2012) who found that entrepreneurial skills needed for successful small business operation are independent of gender. The type of enterprises in this study refers to the nature of productive activity engaged in by an entrepreneur. Three types of entrepreneurial enterprises abound for entrepreneurs (service, merchandise and production) with their varied competencies. Service industries refer to those industries that specialize in rendering services to customers rather than producing physical commodities. These include schools, law firms, restaurants and bars, hotels, laundry firms and so on. Merchandise industries referred to those industries that focus mainly on the sale of products to the final consumers. They often involve in wholesale distribution. They include firms that engage in exportation and importation, supermarkets, chain store businesses and so on. Production industries refer to those industries that specialize in the manufacture of physical commodities. Okeke, Ezenwafor and Famiwole (2014) found that the technical competencies required for successful establishment of small and medium scale enterprises varied based on the type of activities engaged in by the entrepreneurs.

It, therefore, follows that if business education students are trained in line with entrepreneurial competencies, they can become successful entrepreneurs and contribute in the fight against poverty and unemployment. Considering that the success or failure of business education graduates in Anambra State to successfully venture into various small and medium scale business ventures upon graduation depend to a large extent on their acquisition of requisite entrepreneurial competencies; it is essential to determine the ratings of technical competencies by the entrepreneurs required of these graduates to ensure their successful livelihood in the society.

Statement of the Problem

The educational system of any nation has a vital role to play in shaping the economic realities of the society. Tertiary education graduates, especially those from the universities as stated in the National Policy on Education are expected to secure employment and set up their own businesses and become self-employed and be able to create jobs for others (Federal Republic of Nigeria, 2013). However, it seems that these goals are yet to be actualized as some scholars still point at lack of practical skills and entrepreneurial competencies that will enable business education graduates to be self-employed.

The high rate of unemployment among university graduates has been attributed to lack of skills and competencies required in the world of work. Thus, Oyebu (2014) agreed that one of the main causes of unemployment among university graduates is lack of employable skills. Many unemployed youths seem not to possess the necessary skills which the modern economy demands and one faced with the burdens of surplus unemployable manpower (Segun, 2010). Furthermore, the present economic realities and technological innovations seem to be making business education graduates unemployable or ill-fitted for the demands of the job market due to lack of technical skills and competencies.

In this regard, the high rate of unemployment and its attendant consequences among business education graduates especially from the universities can only be stemmed if they acquire adequate technical competencies that will enable them become self-reliant. This study focuses on determining the entrepreneurs' ratings of technical competencies required of business education graduates for establishing small and medium scale enterprises.

Purpose of the Study

The major purpose of this study was to determine the entrepreneurs' rating of technical competencies required of business education graduates for establishing small and medium scale enterprises in Anambra State. Specifically, the study sought to determine the extent to which:

1. technical competencies are required of business education graduates for establishing small and medium scale enterprises in Anambra State.

Research Questions

The following research question guided the study:

1. To what extent do business education graduates require technical competencies for establishing small and medium scale enterprises in Anambra State?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1. Male and female SMEs operators do not differ significantly in their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises in Anambra State.
2. Entrepreneurs of small and medium scale enterprises do not differ significantly in their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises based on type of enterprise (service, merchandise and production).

Method

Descriptive survey design was adopted for the study. This research design according to Nworgu (2015), is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. This design was considered appropriate for this study since the study sought to explore the opinions of the respondents on the entrepreneurial competencies required by business education graduates for establishing small and medium scale enterprises. The population for the study consisted of 811 entrepreneurs of small and medium scale enterprises registered with the Anambra State Ministry of Trade, Commerce and Industry. The sample of this study comprised 243 entrepreneurs were sampled using the proportionate stratified sampling technique through randomization from each stratum. Instrument for data collection was 10-items structured questionnaire titled "Technical Competencies for Establishment of Small and Medium Scale Enterprises Questionnaire (TCESMSEQ)." The instrument was validated by three experts; two in business education and one expert in measurement and evaluation all from the Faculty of Education, Nnamdi Azikiwe University, Awka. Their comments enhanced the face and content validity of the instrument.

To ascertain the validity of the instrument, the researchers conducted a pilot test whereby copies of the instrument were administered to 20 selected small and medium scale entrepreneurs from Asaba, Delta State which is outside the study area but have similar characteristics to the studied area. The data were analyzed using Cronbach alpha method to determine its degree of reliability and obtained 0.79 using Statistical Package for Social Sciences (SPSS). The administration of the instrument was carried out personally by the researchers with the aid of three research assistants.

Data collected regarding the research question were analyzed using mean and standard deviation. The z-test and Analysis of Variance (ANOVA) statistic was used to test the null hypothesis. A decision rule was based on a mean rating between 4.50-5.00 were regarded as very high extent, an item with mean rating of 3.50-4.49 were considered as high extent and an item with 2.50-3.49 were regarded as moderate extent. Furthermore, items with mean rating of 1.50-2.49 and 0.50-1.49 to low extent and very low extent respectively. In testing the null hypotheses, where the calculated p-value is less than the stipulated level of significance (0.05), it means that there was significant difference and the hypothesis was rejected. Conversely, where the calculated p-value is equal to or greater than the stipulated level of significance (0.05), it means that there was no significant difference and the hypothesis was not rejected.

Results

Research Question 1

To what extent do business education graduates require technical competencies for establishing small and medium scale enterprises in Anambra State?

To answer this question, the following computation which is shown in Table 1 was done.

Table 1

Mean ratings of entrepreneurs of small and medium scale enterprises on technical competencies required of business education graduates in Anambra State. N= 232

S/N	Technical Competencies	Mean	SD	Decision
1	understand the nature of business	4.11	.57	High Extent
2	describe the types of equipment needed for the business	4.20	.40	High Extent
3	determine appropriate location for the business	4.50	.50	Very High Extent
4	ascertain the sources of raw materials	4.19	.60	High Extent
5	ascertain the availability of raw materials	3.90	.54	High Extent
6	determine the number of personnel needed for the business	4.09	.54	High Extent
7	identify technical problems	4.60	.49	Very High

			Extent
8	solve technical problems	4.40	.49 High Extent
9	evaluate business operational performance	4.30	.78 High Extent
10	acquire in-depth technical competence in a specific business line	4.29	.64 High Extent
Cluster Mean		4.26	High Extent

The data in Table 1 shows that the cluster mean is 4.26 which indicate that business education graduates in Anambra State require technical competencies to a high extent. The item by item analysis shows that items 1, 2, 4, 5, 6, 8, 9 and 10 reveal that business education graduates require the listed technical competencies to a high extent with mean ratings ranging from 3.90 to 4.40 which are all above the limit of 2.50-3.49. Items 3 and 7 with the mean ratings 4.50 and 4.60 respectively showed that business education graduates require technical competencies for the establishment of small and medium scale enterprises to a very high extent. The standard deviations show that there is homogeneity amongst responses indicating a greater consensus of opinions. This is indicated by their standard deviation values which range from 0.40-0.64.

Test of Hypotheses

Hypothesis 1

Male and female SMEs operators do not differ significantly in their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises in Anambra State.

This null hypothesis was tested using z-test at 0.05 level of significance and the results are presented in Table 2.

Table 2

Summary of z-test comparison of the mean ratings of male and female operators of small and medium scale enterprises on technical competencies required of business education graduates in Anambra State.

Gender	N	\bar{X}	SD	α	df	t-value	P-value	Decision
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Male	148	4.21	.16	0.05	230	6.33	0.96	Not Significant
Female	84	4.35	.14					

The results in Table 2 shows that male and female SMEs operators do not differ significantly in their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises in Anambra State. This was shown by the z-cal value of 6.33 and the P-value (.96) which was greater than the stipulated 0.05 level of significance. The null hypothesis of no significant difference between the two groups is therefore not rejected.

Hypothesis 2

Entrepreneurs of SMEs do not differ significantly in their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises based on type of enterprise (service, merchandise and production).

This null hypothesis was tested using ANOVA statistic at 0.05 level of significance and the results are presented in Table 3.

Table 3: Summary of Analysis of variance on mean ratings of entrepreneurs of small and medium scale enterprises on technical competencies required of business education graduates in Anambra State based on type of enterprise.

	Sum of Squares	df	Mean Square F	P-value
Between Groups	1.526	2	.763	34.57 .000
Within Groups	5.055	229	.022	
Total	6.581	231		

As shown in Table 3 there was a significant difference among the three groups (service, merchandise and production) in terms of their mean ratings on technical competencies required of business education graduates for establishing small and medium scale enterprises. This is indicated by the F-ratio of 34.57 at (2, 229) and P-value (.00) which was less than the stipulated 0.05 level of significance. Therefore the null hypothesis was rejected.

Date relating to the above hypothesis is presented in Table 4.

Table 4: Scheffe post hoc test on mean ratings of entrepreneurs of small and medium scale enterprises on technical competencies required of business education graduates in Anambra State.

(I)	(J)	Mean	P-value	Signi.	Decision
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type_of_industry	type_of_industry	Difference (I-J)			
Service	Merchandise	.08455*	.002		
	Production	-.11684*	.000		
Merchandise	Service	-.08455*	.002		
	Production	-.20139*	.000		
Production	Service	.11684*	.000		
	Merchandise	.20139*	.000		

Discussion of Findings

The findings on technical competencies indicated that SMEs entrepreneurs agreed that business education students required technical competencies for establishing small and medium scale enterprises. These technical competencies included ability to understand the nature of business, ability to determine appropriate location for the business, ability to describe the types of equipment needed for the business among others. This finding is in line with Ogunleye (2011) who found out that business education graduates require adequate technical competencies so as to handle specialized areas of business operations. This finding is in agreement with that of Udechukwu (2011) whose study revealed that learners required new knowledge, skills and technical competencies for effective operation in their various disciplines upon graduation. The findings is in support by Segun, (2010) who identified technical competencies as one of the important competencies required for establishment of small and medium scale enterprises. In line with the authors, the graduates of business education require technical competencies so as to be able to successfully establish and manage various small and medium scale enterprises.

The findings also revealed that there was a significant difference in the mean responses of SMEs operators in Anambra State on technical competencies required of business education students for establishment of small and medium scale enterprises on the basis of gender. This finding is in line with Ismail, Soladoye, Bernice, Oloyede and Olawale (2012) who found that entrepreneurial skills needed for successful small business operation is independent of gender. The findings also revealed that the type of enterprise of the entrepreneurs affected their ratings of technical competencies required of business education graduates for establishment of small and medium scale enterprises.

Conclusion

Based on the findings of this study, it is concluded that SMEs operators in Anambra State are of the opinion that business education students required technical competencies for the establishment of small and medium scale enterprises. It is also concluded that gender did not significantly affect the opinion of SMEs operators on the technical competencies required of business education graduates for the establishment of small and medium scale enterprises in Anambra State, Also, type of

enterprise significantly affect the opinions of entrepreneurs of small and medium scale enterprises on the technical, competencies required of business education graduates in Anambra State.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. The government and administrators of business education programmes should partner with small and medium scale entrepreneurs to organize training programmes that will help equip business education graduates with requisite entrepreneurial competencies. This can be done through the organization of conferences, seminars and workshops.
2. Business education lecturers should be sent for compulsory conference that always hold once in years to by their association to acquaint them with current trends in the job market.
3. Government should make available adequate funds for business education departments in colleges of education and universities to enable them acquire necessary equipment that would aid the acquisition of necessary entrepreneurial competencies during the course of their programmes.

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