

## An Analytical Analysis of Entrepreneurial Skills in Some Selected Small Scale Businesses in the Southern Region of Nigeria

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### Abstract

The objective of this paper is to investigate entrepreneurship skill development through the apprenticeship scheme in some selected small scale business in the Southern region of Nigeria. The paper describes entrepreneurship skills development and also analysis the apprenticeship scheme in Southern region of Nigeria. In order to achieve the objectives, a well-structured sampling technique was employed. A total of number of 112 questionnaires were administrated to the selected small scale business owners in the southern region states which were all properly completed and analyzed using simple percentage.

The results obtained revealed that there is low level of education among the majority of the selected small scale businesses in the Southern region of Nigeria. And majority acquired their skills through the apprenticeship. The sources of apprenticeship recruitment are mainly friends and associates. The paper therefore recommends that attention there is need for regular seminars, conferences and workshops for the owners of the small scale business among the Igbo community in order for the region to experience rapid and sustainable economic transformation desired.

**Keywords:** Entrepreneurial skill development; Small scale business; Southern region

### Introduction

Entrepreneurial skills development is a significant contributing factor of the economic growth and transformation of any society mostly in especially in a developing economies like Nigeria where the level of unemployment has reached its peak. Most graduates do not secure employment many years after they have concluded the training in their various institutions of higher learning.

The attitude of the graduates is to secure a ready-made white collar job immediately after the completion of their studies but often time these jobs are not available. The apprenticeship scheme, a systematic method of acquiring skills in a trade, has therefore been part of the culture of most African countries including Nigeria. Entrepreneurship development is therefore a means to create job opportunities for the swarming unemployed young school leavers. This paper is particularly interested in investigating the entrepreneurial development in the following selected small scale business—clothing related business, Electronics, food related business, phone related and Agriculture related business in the southern region of Nigeria [1].

It is an tries to examine the how the skills in these business were acquired, how the capital was raised, to what extent the current entrepreneurs had trained others, the line of business most Igbo-tribe are interested in this 21<sup>st</sup> century and the sources through which the apprentices are enlisted. Previous studies on entrepreneurial skills and development are mostly concentrated on large-scales business. This research work is divided into five chapters. The first chapter introduction of the topic, chapter two will focus on the theoretical framework of entrepreneurial development and the apprentice ship scheme in Nigeria. The third Chapter would be based on the methodology to be used for the data analysis. Chapter four would focus on the interpretation and analysis of the data collected using simple Southern region here denotes South East states and South –South states of Nigeria for this study percentage while the final chapter, which is chapter five, shall comprise the summary of findings, conclusion, and recommendations.

### Theoretical Framework

#### Entrepreneurship development

Entrepreneurship development is practice, where a group of individual or group of people accepting the risk of starting and running of business. It is a means of through which jobs are created and huge benefits are derived by the public [2]. Acknowledged four reasons why people take entrepreneurial task namely, opportunities, profit, independence and challenge. Rutashobya also recognized the qualities required of a successful entrepreneur. Such a person should be self-disciplined, self-assertive, action-oriented, highly energetic and tolerant Kurtako [3]. Quoting Olomi also describing the entrepreneur from two different perspectives. Firstly, the entrepreneur is seen as the factor of production that attracts and coordinates the other factors of production. The entrepreneur is therefore the individual who has the ultimate responsibility for the overall direction of a business and bears the risks and rewards of the business.

In addition Kurtako [4], identified two major schools of entrepreneurial thought, namely, the macro view and micro view. The macro view identifies a number of environmental variables that may determine the success and failure of modern entrepreneurial ventures. Most of the factors are always beyond the control of the entrepreneurs. The Macro view is also subdivided into three schools of thought, and the financial/capital school of thought identifies the following environmental factors as elements of entrepreneurial development institutions, values, socio-political and legal structures

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etc. The financial / capital school of thought emphasizes the financial management of entrepreneurship activities while the third the displacement school of thought, focuses on someone who feels “out of place” or is displaced from the group. A person with this kind of experience will seek for ways out of frustration by venturing into an entrepreneurship pursuit with the aim of high success to prove the critics wrong. Three major types of displacement were identified. They include political displacement, cultural and economic displacement. Other theories of entrepreneurship that thrive in the literature as summarized by Ogundele [5], include the economic theory, socio-cultural theory, political theory and historical theory. Others include the experimental theory, innovation theory, network theory, structural theory and multi-factor approach. According to Nichels et al. [2], small businesses create 75% of the new jobs in America account for more than 40% of the Gross Domestic Product (GDP) and more than 80% of Americans find their first job in small scale businesses. Nigeria’s experience is not suggestively diverse especially where small scale traders, hawkers, subsistence agricultural farmers, poultry farmers, fish farmers, commercial telephone operators and various other small businesses dominate over 50% of the national economic activities.

### Methodology

This chapter describes the data used in this study, the data source, and the estimation methodology.

### Description of area of study

This study is performed in the framework of some selected small scale businesses which includes the followings-**clothing-related businesses, electronics business, Food related businesses** (e.g. selling of raw food stuffs plus cooked food items), **Phone related business** (Selling of recharge cards, repairing and sales of phones) and **Agriculture related business** (i.e. fish pond business, piggery business, poultry business etc.) in the Southern region of Nigeria. The states covered in this study include Rivers State, Abia State, Imo State, Anambra State, Edo State and Akwa- Ibom State. Ebonyi State was excluded due to perceived low small scale businesses thus leading to low volume of trade. The volumes of trade in these selected small scale businesses are enormous in these selected states.

Employment generation and entrepreneurial development is high as most business owners in the sector at one time or the other have at least some apprentices. These apprentices do not only acquire skills in the business but are also economically empowered to provide for themselves and other people who want to learn the trade. The unique feature of skill is that interested applicants for the apprenticeship skill know before the commencement of the training. However, this cannot be said of the higher institutions in Nigeria as the curriculum does not actually prepare graduates for self-employment but for job seekers.

### Sampling procedure and analytical tool

A suitable sampling technique was employed as the questionnaires distributed to those that were available at their business locations.

The questionnaires were distributed in Rivers State, Abia State, Imo State, Anambra State, Edo State and Akwa- Ibom State. One hundred and twelve (112) questionnaires were distributed to clothing-related businesses dealers, electronics business dealers, Food related businesses dealers, Phone related business dealers and Agriculture related business dealers.

A total of 112 questionnaires, representing 100% were acutely

completed and collected from the respondents. The questions were structured in such a way that respondents were required to supply information in such as qualifications, numbers of years in business, numbers of years used in acquiring the skills for the business, number of apprentices already training and average required amount of capital required to establish the apprentice. The responses were analyzed using Simple Percentage.

### Data Presentation and Discussion of Findings

The qualification of the majority owners /dealers in the selected small scale businesses in the Southern region of Nigeria fall within senior school certificate and OND/NCE/A.L certificate holders. For instance, 57% have senior school certificate (WASC/SSCE), while 22% are OND/NCE/A.L certificate holders (Table 1). The educational qualification of the majority of the respondents therefore falls within senior school certificate and OND/NCE/AL certificate holders. This is likely have a slight negative on the ability to keep adequate records and it is possibly going to limit the growth of the selected small businesses. This is similar to results obtained by Madichie [3], for most Nnewi indigenes of South East Nigeria in which majority often enroll into one of form of apprenticeship immediately after their primary school education. He also stressed that lack of adequate formal education is a major barrier from transforming small scale businesses in large scale businesses (Table 2).

The number of years that the respondents have been in the business is as shown in Table 2. A total number of 60 respondents representing 53% have been in the business between 1 and 5 years, while 18% have been there for between 6 and 10 years. Majority have therefore been in business for upward of between 5 and 15 years. The implication is that the respondents must be enjoying a level of profitability that is why they have recorded a long stay in the selected small- scale business (Table 3).

The process of acquiring skills for the selected small scale business in the Southern region of Nigeria is shown in Table 3 below. Vast majority of the respondents (52%) acquired their skills through the apprenticeship, 26% acquired their apprenticeship through family business while only 22% said through formal education (i.e. government entrepreneurial centers and NGO centers). The choice to trade. The choice of trade in which an individual is to be trained is often dictated by the trade that is peculiar to the family [6], and environment.

Qualification	Frequency	Percentage
Primary School	8	7
WASC/SSCE	64	57
OND/NCE/ A.L	24	22
B.Sc./ B.A./HND	6	14
M.Sc./M.Phil.	-	-
Ph.D.	-	-
Total	112	100%

Table 1: Qualification of the Respondents.

Years of Experience	Frequency	Percentage
1-5	60	53
6- 10	20	18
11-15	16	14
16-25	12	11
Above 25	04	4
Total	112	100

Table 2: Number of years in the Business.

Method of skill acquisition	Frequency	Percentage
Formal school	25	22
Apprenticeship	58	52
Inherited family business	29	26
Total	112	100

Table 3: Method of Skill Acquisition.

The number of years used for the training (Table 4) ranged between 1 and 3 years for 62 respondents, representing 55%. Forty-five of the respondents, representing 40% claimed that they have spent between 4 and 6 years. The training, according to the respondents, does not follow a defined and structured syllabus. As good as the apprenticeship scheme is in enhancing the development of entrepreneurs and skills acquisition, the educational level of the boss is low and the rudiments of teaching are essentially lacking [7] (Table 5).

The major sources of apprentice recruitment into the apprenticeship scheme are the community through friends and Business associates. These accounted for 80% of the sources of recruitment for apprenticeship. This is because master-craftsman often accommodates their apprentices as more than 98% of them either partially or fully provided accommodation for their apprentices. In Igbo land, the master (boss) always train and set-up the apprentices. According to Madichie [3], it was confirmed that the extended family system which the Igbo society often bestows responsibility on the successful entrepreneur to train younger members of the family and community. In addition, it is mandatory to recruit members of the family and community, especially those ones who are found to be the reliable, hardworking and trustworthy compels the master-entre to co-opt his extended family members into his business chain.

Table 6 shows that about 53% of boss entrepreneurs in the selected business gave between ₦50, 000 and ₦100, 000 as a take-off grant to graduating apprentices while 36% gave between ₦101, 000 and ₦300, 000 as take-off grant. The implication of this is an increased number of entrepreneurs. It was also revealed through observation that the Igbo tribe business is usually concentrated in a location since their boss will ensure a good location for the business of his/her apprentice. Also, family members provide the major source of direct and indirect financing to make sure that the young entrepreneur matures into success after the period of apprenticeship [8].

### Summary of findings

The followings observation were made

- Low levels of education exist among the entrepreneurs as majority of them have school certificate as their highest qualification.
- The majority of the entrepreneurs have been in business for between 5 and 15 years.
- A greater percentage of respondents (over 50%) acquired their skills through the apprentices' scheme.
- The duration of training ranges between 3 and 6 years.
- Friends and associates are the major source of recruiting in the apprenticeship scheme among the Igbos.
- The take-off grant the apprentice ranges between ₦ 100,000 and ₦ 300,000.
- The line of business of often considered among the selected small scale business is Food related business, followed by Clothing and Electronic business while the least considered line of small scale businesses are Phone and Agriculture businesses.

### Conclusions and Recommendations

The contribution of these selected small scale businesses entrepreneurs as employer of labour and as agent for skill acquisition cannot be overemphasized. The contribution of this sub-sector to Nigeria Southern region economic transformation cannot be ascertained as most of the businesses transactions are have no database. However, one thing is certain their contribution is substantial.

Since the contribution of the sub-sector is enormous in the area already mentioned, it is appropriate for the following recommendations to be made.

- Since apprentice schemes have become a popular means of skill acquisition in many small scale businesses, it has become necessary for government and other stake holders to find a way of developing a curriculum appropriate for each selected small scale businesses and appropriate ways of evaluating the apprentices.
- Secondly, the take-off grant given to apprentices after completion of their mandatory period of training ranges between ₦100,000 and ₦300,000. In summary, an average sum of ₦200,000 ( two hundred thousand naira) would have been given out as a take-off grant to set up personal businesses by the graduating apprentices. The apprenticeship scheme among the Igbo should therefore be encourage for South East and South-South to experience a total and sustainable economic transformation as a nation.
- Thirdly, regular workshops, seminars and conferences on latest Science and technology for entrepreneurs in various small scale businesses must be encouraged by the government in order to form a synergy between agriculture sector and industrial sector in which is currently dominated by the small scale businesses.
- Finally, no nation can experience any meaningful industrialization without the availability of stable and affordable power supply for these small scale businesses. Based on the above

Years of Training	Frequency	Percentage
1-3	62	55
4-6	45	40
7-10	5	5
Total	112	100

Table 4: Number of years used in Training.

Sources	Frequency	Percentage
Advertisement	8	7
Friends	44	39
Relations	28	25
Business Associate	32	29
Total	112	100

Table 5: Sources of Apprentice Recruitment.

Capital ( ₦ )	Frequency	Percentage
50,000-100,000	60	53
101,000-300,000	40	36
301,000-500,000	8	7
501,000-1,000,000	4	4
Above 1,000,000	0	0
Total	112	100

Table 6: Capital Used to Set up Apprentice.

these recommendations but not limited is required for Nigeria experience a total and sustainable economic transformation.

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