Entrepreneurship Skills and the Establishment of Small Scale Businesses by Business Education Graduates in Akwa Ibom State, Nigeria

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Abstract
The paper was on entrepreneurship skills and the establishment of small scale businesses by business education graduates in Akwa Ibom State. The paper discussed three pertinent skills required by business education graduates to establish small businesses. These are risk-taking skills, creative skills and resource management skills. It was concluded that entrepreneurship skills have tremendous influence on business education students for the establishment of small businesses. It was suggested among others that skill training should be emphasised during teaching and learning process and also the business laboratory should be a replica of the work environment.

Keywords: Entrepreneurship skills, establishment of small scale businesses, business education graduates

Introduction
Entrepreneurship skills are simply business skills which an individual acquires to enable him function effectively in the turbulent business environment as an entrepreneur. Successful entrepreneurship hinges upon the possession of a set skill. Skill acquisition is the process of acquiring or gaining effective and ready knowledge in developing one’s attitude and ability in a particular field.

Brouwer (2002) opined that acquisition of entrepreneurial skills means possessing the ability to find and evaluate business opportunities, gather the necessary resources, initiate appropriate actions to ensure success; and implement actions to take advantage of opportunities for rewarding outcomes. Mbionwu (2008) noted that when youths are given adequate training in skills, they can be self-employed after schooling; hence they become active partners in both community and national development. Equal to this, effective training of students in skill acquisition provides a platform for technological excellence in the face of globalisation of the world. Supporting this view, Ottah (2008) stated that employment requirements in most establishments are changing everyday due to technological impact and as such, the Nigerian educational system has a daunting task to equip consumers of education with the required marketable skills.

With the high rate of unemployment in Nigeria, entrepreneurship skill acquisition is a prerequisite for small scale business owners to engage in self-employment and establish small scale businesses. Skill training is presently a priority in the country’s national agenda, in hope that they would provide alternate channels of employment.
The turn-out of graduates from different institutions yearly is enormous and the rate of unemployed youths posed a serious threat to the society. Underlying this situation is the fact that the training which students of business studies receive in secondary schools has not been fully successful in equipping them with desirable skills required for job creation and self-employment upon graduation.

The failure of secondary education to inculcate in students entrepreneurship skills needed for self-reliance has led to wastages in human and natural resources that abound in Nigeria. This is because the youths and graduates of secondary education are not equipped with entrepreneurship skills with which to exploit the natural resources that abound in Nigeria. This has rendered the pursuit of self-reliance among our business studies graduates difficult to retain.

The poor state of youth development in Nigeria has remained a source of worry to government and concerned citizens. The looming crises in national development has been considered as the major cause of rural poverty, youth restiveness, armed robbery, prostitution and trafficking, import dependence and low level of industrial development. At both the national and community levels, the scarcity of skilled youths and unemployment are areas of greatest concern to the common man. The lack of entrepreneurship skills has been the major cause of unemployment which occurs mostly among youths and school leavers has remained a major problem in both urban and rural environments.

The situation now is that most business studies graduates in Nigeria make little or no attempt to establish small scale businesses of their own despite the abundant business opportunities available in the country. Instead, they continue to besiege ministries and government offices in search of jobs that are either extremely few in supply or even non-existent. The question now is what entrepreneurial skills are required for establishment of small scale businesses?

**Risk Taking Skills and the Establishment of Small Scale Businesses**

Entrepreneurship is defined as the willingness and ability to seek out investment opportunities, establish and run an enterprise successfully. Okenwa, (2005) stated that risk is an exposure to mischance and risk taking is normal and inevitable to any enterprise. An entrepreneur’s whole business cycle is subject to risks. The question initially is ‘how much can he afford to lose? In this case, he must take all the necessary precautions to secure his investments. Whatever is insurable should be insured and it is personal experience that tells him which risks to be insured against and those he can endure.

According to Okenwa (2005), entrepreneurs are people who assume risks. They assume the risk of losing what they have invested in their venture. Entrepreneurs set goals that require a high level of performance that will demand effort. They also seek for opportunities within the environment and articulate behaviours that enable them to dive into the environment without caring for failures. It has been observed that most people don’t want failure so they avoid taking risks because they want to succeed. Conclusively, Okenwa, (2005) stated that the ability to take risk is the ability to succeed in business.

Okenwa, (2005) stated further that risk occurs when it is not known what the future outcome will be, but where the various possible future outcomes may be expected with some degree of confidence from knowledge of past or existing events. Also, risk is caused by some
unfavourable, unpredictable or undesirable events. Probabilities of alternative outcomes may be estimated.

Risk is endemic; it exists in different contexts and understood in a variety of ways. Dealing with risk involves collecting as much information as possible so that a rationale decision can be made on how to deal with the unknown eventuality. Entrepreneurs should be able to foresee untoward events as well as their outcomes. The risk is the unexpected norm measured in different ways.

Douglas (2004) argued that risk is socially constructed. Each society decides what is to be feared as risk and what, if any, action is to be taken. Risk is seen as a result of an uncertainty of the future and of the possibility of something going wrong, but what that something is varies as does the intensity of the fear of that event from society to society. Also, organisations especially those involved in business would often see risk as the downside of opportunity. If an opportunity occurs, there is the possibility of an event or events that could interfere with the fulfilment of the opportunity. Thus, in managing risk, three questions need to be answered. What can go wrong? How likely is it to go wrong? How does the organisation see the world?

The idea of risks as viewed from various standpoints can be distilled down to the idea that risk is an unacceptable and unexpected outcome. What these are and how they are measured will vary based on a variety of factors. The individual will have varying experiences colouring their view of what is to be feared and this will be enhanced by the social interaction that occurs in the activity where the risks occur. Also, the wider society within the organisation, profession and nature will also affect how the individual defines what is acceptable. If risk management is to identify, evaluate and control risk, they must be aware of the effect of various level of social reality have on the understanding of risk and take into account when setting about controlling risk (Aladekomo, (2004).

Douglas (2004) opined that there are three clusters of factors that are involved in forming a response to risk. These are the characteristics of the individual, the characteristics of the organisational context and the characteristics of the problem. Characteristics of individuals include risk propensity, risk preference and risk perception. Characteristics of organisation include group composition, cultural risk values, leader risk orientation and control systems. The problem characteristics are problem familiarity and problem framing.

According to Pablo (2002), individuals have different risk propensities. These ranges from risk averse, through risk neutral and risk seeking. Someone who is risk-averse attempts to avoid risky situations while individuals who are risk seeking look for these experiences. Also, risk propensity will defer depending on the circumstances. There is evidence that an individual may be risk seeking in one set of circumstances and risk avoiding in another. This leads to the conclusion that attitudes of the entrepreneur towards risks depends on the situation.

According to Okenwa (2005), when risks have been identified and analyzed, the entrepreneur then decides how best to cope with risks by adopting any of the following techniques:

i. **Risk avoidance**: The most effective way of coping with risks is to try to avoid the possibility of the loss occurring. Risk avoidance may mean not introducing a new product. An organisation can eliminate the risks associated with cash by dealing only in cheques. However, some risks are not always avoidable. An example is that it is not always possible to avoid risk of cash entirely for a business needs imprest funds to meet contingent expenses.
ii. **Risk prevention:** It is the risk management technique which incorporates risk reduction, while some risks can be totally eliminated, others can only be rendered less likely to occur by using risk preventive and loss control devices. Any measure designed towards avoiding or preventing losses will be a preventive measure. Prevention deals with the eliminating or reducing the factors that may cause a loss to the business and minimizing the loss when prevention methods are not fully effective.

iii. **Loss reduction:** This refers to those activities designed to reduce the severity of losses that do occur. Entrepreneurs cannot avoid loss despite all efforts. Loss reduction will only help to minimize the impact of losses.

iv. **Risk retention:** It is a kind of self-insurance against loss. An entrepreneur may choose to retain certain risks after weighing the alternatives. This method assumes that it is more profitable for an organisation to accept its own risks than to insure them with insurance company. Self-insurance is easy to administer. To do this, it is necessary to set aside a certain sum annually as a reserve to be used if property is destroyed.

v. **Risk transfer:** This refers to the act of shifting risk to another party such as an insurance company. Great measure of protection can be secured by transferring the risks to professional risk bearers – insurance companies; however, we should recall that some risks are not insurable. The entrepreneur uses insurance as a means of the methods of dealing with risks. Insurance offers protection only to insurable risks such as fire, accident, life etc. The entrepreneur is therefore relieved of risk of loss by the constant periodic payment of premium made to the person or company the risk is shifted.

Evidently, an entrepreneur’s whole business cycle is subject to risks. Risk is an exposure to mischance and risk taking is normal and inevitable in any business. Entrepreneurs are faced with chains of problems which create risks that can lead to failure. The entrepreneur’s ability to predict, analyse risk and prescribe risk abasement measures is the foundation for success in business enterprise.

**Creative Skills and the Establishment of Small Scale Businesses**

Harris (2008) stated that creativity is marked by the ability to create, to invent into a new form, to produce through imaginative skill, and to bring into existence something new. Creativity is not ability to create out of nothing (only God can do that, but the ability to generate new ideas by combining, changing or reapplying existing ideas. Furthermore, some creative ideas are astonishing and brilliant while others are just simple, good practical ideas that no one seem to have thought of yet.

Okpara (2007) affirmed it that no entrepreneur or enterprise, however successful and big can continue to hold a place of leadership unless it recognises that modern business operates in a world of galloping change which creates new problems, risks and opportunities and for which they have to mobilise the enterprise’s resources before changes make their impact felt. To do successfully, he added that the entrepreneur and the enterprise should know where the firm is going and how the firm will get there. This in turn requires a clear definition of the company’s business which will enable it to continually adopt operations to the reality of the market place, ‘the very cornerstone of survival and growth’

Thompson (2001) maintained that entrepreneurs take bold creative steps but situations encourage creativity. He adds further that creativity is however enhanced when people have some freedom, but not too much; high internal commitment to the task; but not too high a commitment; high proportion of intense rewards, but some extrinsic rewards as well, some
competition, but not winner-take all competition. Okpara (2007) maintained that entrepreneurial activity depends on the process of innovation following creativity, not on creativity alone.

Harris (2008) described creativity also as an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good while looking for ways to improve it, we are socialized into accepting only a small number of permissible or normal things, like chocolate-covered strawberries, for example. The creative person realizes that there are other possibilities like peanut butter and banana sandwiches or chocolate-covered prunes.

Okpara, (2007) affirmed that the entrepreneur is primarily concerned with developing new products, processes, or markets, the ability to bring something new into the market. The entrepreneur indulges in original thinking more than any other person thinks and he is able to produce solutions that fly in the face of established knowledge. He affirmed further that entrepreneurs are inclined to be more adaptable and are prepared to consider a range of alternative approaches. They challenge the status quo, which can sometimes bring them into conflicts with their colleagues. They dismiss their detractors and are sometimes regarded as aloof.

Harris (2008) described further that creativity is also a process. A creative person works hard and continually to improve ideas and solutions by making gradual alterations and refinement to their works. Contrary to the mythology surrounding creativity, very few of creative excellence are produced with a single stroke of brilliance or in a frenzy of rapid activity. Also, much closer to the real truths are the stories of companies which had to take the invention away from the inventor in order to market it because the inventor would have kept on tweaking it and fiddling it, always trying to make it a little better.

Creativity according to Robert Graham as reported by Okpara, (2007) consisted of anticipation and commitment. Anticipation involves having a vision of something that will become important in the future before anybody else has it. Commitment is the belief that keeps one working to realize the vision despite doubts and discouragement.

As affirmed by Okpara (2007), creative outcomes seldom emerge in an instant a recognized process is involved, even if it appears to be rather chaotic. It begins with recognition of a problem or anticipation of an opportunity. And then through understanding the situation and reflecting on the issues, new linkages are contemplated and possible new combinations of components are aired. From this emerge visible solutions or possibilities that are subjected to valuation, which may be continuous with judgement being suspended and the search process is prolonged in pursuit of genuine newness.

Lee, Florida and Acs (2004) affirmed that links have been made between creativity and entrepreneurship for some time now. Fillis and Rentschler (2006) opined that entrepreneurial creativity has been defined as the generation and implementation of novel, appropriate ideas to establish a new venture. This sits alongside much entrepreneurship literature on new venture formation, but fails to follow the growth of the business over time. They put it that entrepreneurial creativity however exists before, during and after the lifetime of a particular
business since it is shaped in part by the social world and the individual decision maker. Furthermore, an entrepreneur often has to make decisions which are influenced by the organization’s resources irrespective of the resources available via the process of intuition.

Today, as affirmed by Mason (2007), creativity appears more important than ever before, with it being seen as a critical success factor for the organizations, the understanding of attitudes towards creativity and promotion of creative thinking within the organization are pre-requisites to facilitating creativity in all employees. Although, effectiveness and efficiency have long been viewed as central organizational requirements, creativity is now been deemed a core success factor with organizational creativity resulting in higher level of quality and customer satisfaction. The nature of the business environment is changing, with more and more turbulent conditions being experienced.

Creative thinking as described by Okpara (2007) is the act of generating solutions to problems by the forces of imagination and reasoning. It is an activity of the mind seeking to find answers to some life’s questions. In a dynamic and changing world, the challenges of small scale businesses are not static. They take on new form and require a deep creative thinking approach. He concludes that every idea is a product of thinking and every product is the manifestation of idea naked in a thinker’s mind.

Okpara, (2007) posited that the celebrated discoveries of man are not accidents. The minds of men and women were engaged in creative thinking to deliver the visible products we enjoy today. Name them; Bill Gate and the computer, Graham Bell and the telephone, Michael Faraday and electricity, Isaac Newton and the physical law of science Wight brothers and aeroplane, Adenuga and consolidated oil, Atedo Peterside and Investment Banking and Thrust Company, Raymond Depokesi and Daar Communications. The list is endless. You too can join them as you begin to “ponder the path of your feet, that all your ways may be established” Okpara (2007) affirmed that thinking begins with engaging yourself in a conversation with yourself by yourself, in yourself. That is, to reach a conclusion as to what steps to take and what strategies to employ. It is advisable to always have a pen and paper to always document your thoughts. It unveils every illusion around you.

Jalan and Kleiner (2005) defined creativity as follows: ... a process of being sensitive to problems, deficiencies, gaps in knowledge, missing elements, disharmonies, and so on; identifying the difficulty: searching for solutions, making guesses, or formulating hypotheses about the deficiencies: testing and retesting them; and finally communicating the results. Findlay and Lumsden (2008) defined the creative person as someone with the ability to solve a problem in a situation where the context of the problem and interpretation is unclear. Boden (2004) defined creativity in a more simplistic way by means of perceiving a creative person as an individual who generates new ideas out of existing concepts with a result that is normally “interesting”.

According to Okpara (2007), the place of asking the right question in the thinking process cannot be overemphasized. Questions remain the string tool to provoke the mind to respond to issues and discover new things. Creative thinking must therefore lead to the articulation of a strategy. A strategy is a way of organizing available resources to achieve results, what to do, what steps to
take, the approach, the timing, positioning all come to play when developing strategy. It is a common knowledge that successful entrepreneurs emerge not by strength of force, but by superior strategy through creative thinking.

Okpara (2007) stated that there are great business opportunities in applying creative thinking to solving mankind’s crying need for basic products and basic support services- better homes, better jobs and a better way of life. There are going to be tremendous opportunities in education because we need fundamental and radical changes in Nigeria if we are going to be competitive with other countries. However, being able to adapt ideas is what makes the entrepreneur successful. There is nothing wrong with learning from other ideas. Creativity comes in when you expand upon it, when you take on idea and make it move. The only way forward is to make our education to be adaptive and qualitative at all levels.

Davis (2006) defined the creative person as someone with a positive attitude and an “integrated personality”. The creative person should also be seen as a non-average individual. Ford (2009) defined the creative person as an individual with the ability to think in a divergent mode, as compared to the convergent. The latter entails a high level of similarity in thinking (afocus on centralised thinking) and a low level of abstraction.

Amabile (2009) model suggested that the creative person is a function of “expertise”, “creative thinking skills” and “motivation”. Expertise pertains to knowledge of technical, procedural and intellectual aspects. Creative thinking skills embrace all the cognitive creative processes, for example, inspiration, imagination, flexibility and combining the non-conventional into a novel idea. Motivation refers to the desire to solve a problem or the drive (intrinsic motivation) to create the new. The combination and McFadzean (2000) managed to conclude and summarise the traits of the creative person as follows:

- A desire to achieve a goal or winning attitude
- A high level of motivation, dedication and commitment
- A high level of self-confidence, not risk averse and accepting of failure
- The ability to link different (unrelated) elements or entities
- The assimilation of negativities regarding failed projects or attempts
- An ability to shift existing paradigms and assess different perspectives
- Problem and opportunity conceptualisation in a different or new frame of mind
- A “single minded” vision or road map
- A working style that induces hard work and relaxation in order to enhance incubation
- The ability to determine whether individual or group creativity should take place.

Resource Management Skills Required of Business Studies Students for the Establishment of Small Scale Businesses

Entrepreneurship is the capacity and willingness to develop, organize and manage a business opportunity along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is starting businesses. Entrepreneurship combined with land, labour, natural resources and capital can produce profit. An entrepreneurial resource is an economic or productive factor required to accomplish an activity, or as a means to undertake an enterprise and
achieve desired outcome. The most basic resources are land, labour and capital; other resources include energy, entrepreneurship, information, expertise, management and time. Indeed, Lippman and Rumelt (2003) maintained that the heart of business management and strategy concerns the creation, evaluation, manipulation, administration and deployment of specialized resource combination. The primary pursuit of any business is to create and maintain value. According to Sirmon and Hitt (2003), the Resource-Based View (RBV) suggests that a firm’s resources drive value creation via the development of competitive advantages or creation of value. To realize value creation, small scale businesses must accumulate, combine and exploit resources.

One of the duties of an entrepreneur as opined by Eno (2010) is assembling of business resources needed for the purpose of producing goods or services. According to Akpan (2004), business resources are facilities and conditions which make possible the production of goods and services. Eno (2010) maintained it that business resources include money, personnel, materials, machines, information, opportunities and relationships. They are called the three Ms of business: (man, money and materials). People and money are two primary resources that are in short supply. Also, finding and keeping good employees is essential to your success. The entrepreneur takes initiative in assembling the required resources needed to exploit business opportunities that unfold to him.

Eno (2010) suggested that it is extremely important to keep complete and adequate financial records for effective financial management, for initiation and expansion of business. Record keeping requires maintaining detailed information about purchases, sales, orders, expenses and cash balances from a double entry book-keeping system. She adds further that effective financial management involves wisdom in borrowing. The ability to recognize appropriate sources of finance is required for successful establishment of small scale businesses.

Kazanjian, Drazin and Glynn (2008) reported that resource management is the comprehensive process of structuring the firm’s resource portfolio, bundling the resources to build capabilities and leveraging those capabilities with the purpose of creating and maintaining value for customers and owners. Structuring the resources portfolio involves using processes (acquiring, accumulating and divesting) to obtain the resources that the firm will use for bundling and leveraging purposes. Bundling refers to the processes (stabilizing, enriching and pioneering) used to integrate resources to form capabilities. Leveraging involves the set of processes (mobilizing, coordinating and deploying) used to exploit capabilities to create solutions for current and new customers.

According to Eno (2010), employees are important to the successful operation of small scale businesses. In small scale businesses, all the employees may be considered as key personnel to the achievement of organizational goals. Eno (2010) maintained that human resource management skills involve an ability to manage, recruit, resolve disputes, motivate staff and train people. The knowledge of effective human resource management will assist entrepreneurs in creating an environment that is conducive for improved staff performance.

The management of material resources for the business involves organizing facilities and raw materials for business operation. It is the duty of the entrepreneur to choose appropriate facilities
to suit the type of business operation. This skill involves the ability to reduce the cost of facilities, transportation and raw materials in order to maximize profit.

Human resource management involves practices that ensure that employees’ collective knowledge, skills, and abilities contribute to business outcomes (Huselid, Jackson, & Schuler, 2007). The traditional conceptualization of Human resource management focused on managing, measuring, and controlling organization’s workforces (Whitner, 2007).

Eno (2010) affirmed that the relationship established by the entrepreneur and his customers is paramount to the overall success of the business. The essence of any business is to satisfy its customers. The businessman must be able to identify the needs of his customers and develop his products or services to meet those needs. Since the business is totally dependent upon customers, the businessman must do everything to please the customers in terms of reacting to their wants and needs. Prices should be moderate. Other ways of pleasing customers includes giving personal attention, free delivery and credit facilities.

To this end, it is pertinent that the resource management skills needed to establish a small scale business should be incorporated into our secondary schools’ curriculum to enable its students lead a profitable life in the businesses they may wish to establish upon graduation.

**Conclusion**

On the bases of the discussion of this paper, the following conclusions are drawn: Entrepreneurship skills have tremendous influence on business education students for the establishment of small scale businesses. The most outstanding of these skills include business risk taking, creativity and resource management skills that play significant role in enhancing effective establishment of small scale businesses by business studies students.

The utilization of risk taking skills by students of business studies would enhance establishment of small scale businesses. The utilization of creative skills by students of business studies would enhance establishment of small scale businesses. The utilization of resource management skills by students of business studies would enhance establishment of small scale businesses.

**Way Forward**

1. Skill training should be emphasised during teaching and learning of business education
2. the business laboratory should be a replica of the work environment
3. Special funding should be voted for business education to aid business educators raise manpower with skills, knowledge, attitude and aptitude for work and self reliant.

**References**


