



Business Management Practice of Graduates of Entrepreneurship Studies from Tertiary Institutions in Edo State

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Abstract: *The study investigated the role of entrepreneurship studies to promote effective business management of Small and Medium Scale Enterprises (SMEs) among tertiary school graduates in Edo State. It determined the graduates' effectiveness in diversity management in their business venture applying the entrepreneurial knowledge and skills they acquired from school training experiences. The study population comprised all the 40,333 graduates (2009/2010-2012/2013 Academic Sessions) from the target public institutions (universities, polytechnics and colleges of education). 450 respondents were selected using simple random sampling technique. One research question guided the study which was hypothesized. The descriptive survey research design was adopted for the study and a 20-item structured questionnaire was used as instrument for data collection. The instrument was validated by 4 experts and tested for its reliability using the Cronbach Alpha and a reliability value of 0.89 was realized. The data collected were analysed using descriptive statistics of mean and standard deviation to answer the research question and determine the homogeneity of respondents' opinions while the formulated hypotheses were tested with ANOVA at 0.05 level of significance. The findings revealed among others that the entrepreneurial knowledge and skills the respondents acquired from their school training experiences facilitate their competencies in effective business management irrespective of customers' cultural background, buying habits, brand loyalty, socio-economic status among others. Against this backdrop, it was recommended among others that government should provide incentives for entrepreneurship undergraduates and place entrepreneurship studies on top priority list in the fiscal budget in order to produce competent graduate entrepreneurs who can assume their effective role in the world of work to boost the nation's drive for private sector driven economy and Edo State in particular.*

Keywords: *Entrepreneurship Studies, Effective Business Management, SMEs, Tertiary School Graduates*

INTRODUCTION

The clarion call for private sector driven economy for economic growth and development is a must for developing nations including Nigeria. This calls for more participation in entrepreneurship development through the establishment of Cottage, Small and Medium Enterprises (SMEs) in Nigeria especially by young tertiary school graduates. Apparently, effective management of these SMEs is crucial to guarantee their growth and survival, either as distributive or manufacturing trades. The management process which would focus on human and material resources, finance, information, production and marketing as well as strategic management which must be superb and highly coordinated irrespective of business nature and target customers, must aim at achieving optimal result with efficiency. This requires the competencies of individuals (Entrepreneurs) who

have the requisite knowledge and entrepreneurial skills for effective business management. Management as the process of planning, organising, directing, controlling and evaluating plays pivotal role in the success of any business and its ineffectiveness can truncate business venture no matter the capital investment. Oriazowanlan, Olowo-Onyanemi and Umunna (Oriazowanlan A.O. et al., 2008) posited that huge capital investment without proper business management is like a tree without tap-root. Osamwonyi and Igbinovia (Osamwonyi et al., 2005) describe management as a process of coordinating resources to achieve organisational goal in an effective and efficient manner. Most management theorists such as Fredrick Taylor, Henri Fayol, Fredmund Malik, Peter Drucke among others emphasized the relevance of effective management in all spheres and strata of any economy.

The adequate knowledge and skills of the entrepreneurs on the intricacies of effective business management may be facilitated with functional training such as entrepreneurship studies. Noteworthy is that Entrepreneurship Studies was the brain child of stakeholder conference hosted by NUC in 2001 on curricular review to reposition tertiary school curriculum to meet the current need of the society both now and in the future. The policy decision on the compulsory inclusion in the tertiary school curriculum was sequel to the resolution of the 53rd National Council Meeting held in Calabar in 2006. Entrepreneurship studies equip individuals or groups with appropriate entrepreneurial knowledge and skills in order to look inward in their immediate environment to create business for themselves and manage it successfully to earn a sustainable living. Some of the entrepreneurial skills graduates could acquire from the school training include insightful skill, risk-taking skill, inventive skill, creative skill, saleable skill, communicative skill, record keeping skill, managerial skill, interpersonal relationship skill, among others. Graduates of entrepreneurship studies are expected to be successful entrepreneurs with global acceptance; being goal-oriented, enthusiastic, optimistic and daring to combine other factors of production to create utility and earn profit. According to Anyakhola (1997) in Njoku (2011) entrepreneurship programme is to train graduates of secondary and higher institutions to take up self-employment.

Notable scholars noted the role of Entrepreneurship studies to successful entrepreneurship development by way of identifying, establishing and managing cottage, small and medium scale enterprises (SMEs) in all spheres of the economy in an effective and efficient manner. Consortium for Entrepreneurship Education (Consortium for Entrepreneurship Education, 2004) posits that entrepreneurship exposes people to greater opportunities to exercise creative freedom, higher esteem and greater sense of control over their lives. Noteworthy is that entrepreneurship development is the pivot in which other sectors of the economy revolves; Agriculture, Engineering (Construction, Production and Petroleum), Education, Medicine, Legal, among others. Scholars like Gana (Gana, 2001), Uko-Aviomoh (Uko-Aviomoh, 2006), Ezenwafor (Ezenwafor, 2010) and Esene (Esene, R.A., 2011) posited that entrepreneurship have common elements of the presence of lucrative business opportunities in the immediate environment and enterprising individuals.

Graduates of entrepreneurship studies are expected to be inspired to look inward to be self-employed and be able to manage their business successfully to earn a sustainable living. The entrepreneurial skills could spur their risk-taking propensity and diversity management in business ventures irrespective of customers' cultural background, buying habits, loyalty, age, income level, socio- economic status among others. They are expected to be vast in total quality management of their business as well as management by objective. In short, they are expected to know the intricacies of business operations with global competitiveness and standard. These intricacies would entail adequate knowledge and skills in financial record keeping, effective communication, access to information, ability to use modern technological gadget among others. Whether the entrepreneurial knowledge and skills graduates acquired from the school training experiences is facilitating their effective management in their business ventures remains doubtful, hence the study.

Purpose of the Study

The main purpose of the study is to determine the role of entrepreneurship studies to facilitate effective business management of young tertiary school graduates in Edo State. Specifically, it is to ascertain

1. how the entrepreneurial skills graduates acquired from the school training experiences are facilitating their effective business management?

Research Questions:

The following research question was raised to guide the study:

- 1 How do the entrepreneurial skills graduates acquired from the school training experiences facilitate their effective business management in diversity?

Hypothesis:

The following null hypothesis was formulated and tested at 0.05 level of significance;

1. There is no significant difference in the opinions of graduates from the three levels of tertiary institutions on how the entrepreneurial skills they acquired facilitate their effective business management.

Methods

The descriptive survey research design was adopted for the study and the population comprises 40,333 graduates (2009/2010-2012/2013 Academic Session) from the target public institutions (Universities, Polytechnic and College of Education) in Edo State. Nworgu (Nworgu, B.G., 2011) stated that survey research design is suitable when studying a large population that has homogeneous characteristics. 450 respondents were selected using simple random technique. A 20-item structured questionnaire on five point Likert-type scale was used for data collection and values were assigned to them thus: Strongly Agree-5, Agree-4, Undecided-3, Disagree-2 and Strongly Disagree-1. The instrument was validated by four experts and tested for its reliability using Cronbach Alpha and a reliability value of 0.89 was obtained which indicates that the instrument was highly reliable. The descriptive statistics of mean and standard deviation were used to analyze the data collected in order to answer the research questions and determine the homogeneity of the respondents’ opinions while the null hypothesis was tested using ANOVA. The standard mean score was 3.0; any value equal to or above the standard score was considered acceptable while any value less than the standard mean score was considered unacceptable. The null hypothesis was retained when the p-value is greater 0.05 but if the p-value is less or equal to 0.05, the null hypothesis will be rejected.

Result

Table 1: Mean and standard deviation on the relevance of entrepreneurial skills to graduates’ self-employment and business management

S/ N	Item Statements	Mean	SD	Remark
1	Graduates take risk with optimism in business venture	2.97	0.80	Agree
2	Graduates use insightful skill to identify viable business opportunity	3.05	0.68	“
3	Graduates think critically and make wise business choice for investment from available multi business opportunities	3.08	0.71	“
4	Graduates plan for new businesses uniquely to satisfy the latent customers	2.94	0.81	“
5	Graduates are highly innovative in business venture.	2.86	0.84	“
6	Graduates are creative in mapping out captive audience in business effectively	2.88	0.79	“

7	Graduates apply business laws and other legal requirements as they relate to business operation, government and latent customers effectively	2.92	0.79	“
8	Graduates make wise decisions always and promptly in business ventures.	2.87	0.79	“
9	Graduates communicate effectively both in speaking and writing in business ventures	3.10	0.77	“
10	Graduates access and utilize relevant information through information and communication technology (ICT) for their business.	3.03	0.79	“
11	Graduates apply tax law and other legal requirement appropriately	2.85	0.83	“
12	Graduates use the right personal selling to boost or increase sales volume.	2.89	0.77	“
13	Graduates use the right advertising and promotion tools to boost sales volume.	3.05	0.78	“
14	Graduates use the right sales promotional mix (4Ps) to enhance sales volume.	3.04	0.73	“
15	Graduates adopt marketing research to improve product quality and customer satisfaction.	3.07	0.74	“
16	Graduates use modern technology in business transition (e.g. use of telephone, e-banking, internet etc).	3.30	0.74	“
17	Graduates keep proper financial records to promote business survival and growth.	3.13	0.75	“
18	Graduates use financial institutions to promote business growth by taking loan/overdraft.	1.95	1.77	Disagree
19	Graduates manage both human and material resources effectively.	2.96	0.79	“
20	Graduates manage risk (avoidable and unavoidable risk). wisely and successfully	2.81	0.85	“
	Average mean	2.83	0.77	“

In table 1, items 20-40 met the standard mean score with an average mean of 2.83 and standard deviation of 0.77 which indicates that the entrepreneurial skills the graduates acquired can facilitate their self-employment and enhance their effective business management.

Table 2: Relationship in the opinions of respondents from the three levels of tertiary institutions on the relevance of entrepreneurial skills to graduates’ self-employment and effective business management

Source of Variance	Sum of Squares	Df	Mean Square	F	Sig.	Decision
Between Groups	21.270	2	10.635	.081	.923	NS
Within Groups	28746.187	338	131.863			
Total	28767.457	340				

NS means not significant. $P > 0.05$

The sum of group mean = 28746 while between groups = 21.270 and the mean square within groups = 131.863 while between groups = 10.635 at a significant of 0.923 where F is 0.081. This indicates that there is no significant difference in the opinions of respondents on the relevance of entrepreneurial skills to graduates’ self-employment and effective business management.

Discussion of Findings

The findings revealed that the respondents can take risk in business ventures. Since risk-taking propensity differs among individuals due to variation in internal locus of control and self-concept of ability, a high standard deviation was obtained. This conforms to Nwokwule (Nwokwule et al., 2000) assertion which stated that self-concept is developed for the purposes of maintaining inner consistency, determining the interpretations of experiences and providing expectations while those who have high locus of control believe that their behaviours deserve success or reward. This indicates the optimistic skills of entrepreneurs who are always desirous of a successful outcome. Entrepreneurs hardly see failure rather they always have positive predictive expectancy of huge profit and resilient even in adverse situations to overcome challenges and failures. This is in agreement with Yomere (Yomere G. O., 2009) who posited that entrepreneurship education prepares students against the fear of risk and failure in business venture.

It equally revealed that the respondents are insightful, can think critically to make wise business choice and decisions as well as developing good business plan. Moreso, that they are highly innovative to map out captive audience, apply business laws and other legal requirements to their business, keep proper financial records, make wise decision, adopt marketing research, use modern technological means, able to access and utilize the right information and communicate effectively, use the right promotional tool, manage risk as well as human and material resources.

Although the findings revealed that respondents claimed to have all the above, their risk management ability is doubtful. This conforms to Okello-Obura and Matovu (Okello-Obura et al., 2011) assertion which states that SMEs operators have relatively simple and unsophisticated management structure with a narrow tolerance range for risk. They equally noted that SMEs operators' decision making system is informal and is highly dependent on personal drive. Relevant information to improve on product quality and marketing strategy are prerequisite for effective business management as catalyst to business growth and survival. The amount of information at the SMEs operators' disposal could influence their decision making on either production or service delivery. Information could be regarded as the life wire of an organisation, be it SMEs or large scale industries. Poor access to relevant information could be attributed to the high failure rate of most SMEs in developing countries including Nigeria and Edo State in particular.

Also, though the findings revealed that respondents keep proper financial records, it contradicts Mensah, Tribe and Weiss (Mensah, J.V. et al., 2007) who stated that a significant number of enterprise do not keep records pertaining to their operations, finance, audited accounts, and tax returns among others. Ezejiefor, Ezenyirimba and Olise (Ezejiefor, R.A. et al., 2014) equally stated that owners of SMEs do not keep record; thus, they are not able to provide data about their entities. Observations have shown that most SMEs' owners keep records in their memories and this may have been attributed to high rate of their business failures. Although past studies have revealed that SMEs operators do not keep proper financial record, the knowledge and entrepreneurial skills they acquired from the school training experiences may have facilitated their competencies in financial record keeping. The respondents equally claimed that they cannot access loan/overdraft from financial institutions but the reason was not sought in the study.

Through the findings, respondents equally agreed that they can use modern technology in business transition (e.g. use of telephone, e-banking, internet among others). ICT as a major facilitator of modern business, in its revolutionary impact has the emergence of e-commerce, e-banking, and e-learning among others. Globalization and internalization of the world economy and finances require the appropriate technological skills of entrepreneurs to be able to compete favourably in the marketplace in order to satisfy customers irrespective of their different cultural background, buying habits, income level, socio-economic status among others. Through the entrepreneurship training experiences, the graduate entrepreneurs could get much bang for the buck when they advertise and sell through the internet. This agrees with Nwosu, Sani, Osuagwu and

Nwachuku (Nwosu M.E. et al., 2015) who posited that many organisations use computer systems run their inventory, control accounting, increase sales, and manage human resources among others.

The findings equally revealed that respondents from the three levels of tertiary institutions did not differ in their opinions on the entrepreneurial skills they acquired to facilitate their effective business management.

Conclusion

The clarion call for a private sector driven economy requires the active participation of competent entrepreneurs who have the potentials for global market competitiveness in their business ventures. Effective management of the business is crucial to its growth, survival and sustainability; therefore, entrepreneurship studies play a pivotal role in equipping recipients for effective business management. Through the findings of the study, it was revealed that respondents agreed that entrepreneurship studies facilitate their self-employment and effective business management in diversity to give ultimate satisfaction to the customers irrespective of their different cultural background, buying habits, income level, and socio-economic status among others. Since entrepreneurship studies facilitate graduates' self-employment and business management, thereby proffering solution to the unemployment challenges bedevilled the nation, therefore government should encourage entrepreneurship undergraduates with incentives and also put entrepreneurship studies on the top priority list in the fiscal budget in order to boost the nation's quest for private sector driven economy.

Recommendations

Based on the findings and conclusion the following recommendations were made;

- Graduates entrepreneurs should keep proper record of their business of both financial record and inventory control.
- Entrepreneurship studies should lay special emphasis on technological skill to enable graduate entrepreneurs use modern technology in business operations and management in a globalized technological driven economy.
- Graduate entrepreneurs should look for relevant information on how to use financial institutions to enable them access and obtain loans/overdraft to boost their business operations.
- Graduate entrepreneurs should always update their knowledge and access relevant information using ICT that could facilitate their effective business management.
- Government should encourage young entrepreneurship undergraduates with soft loans and incentives.

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