



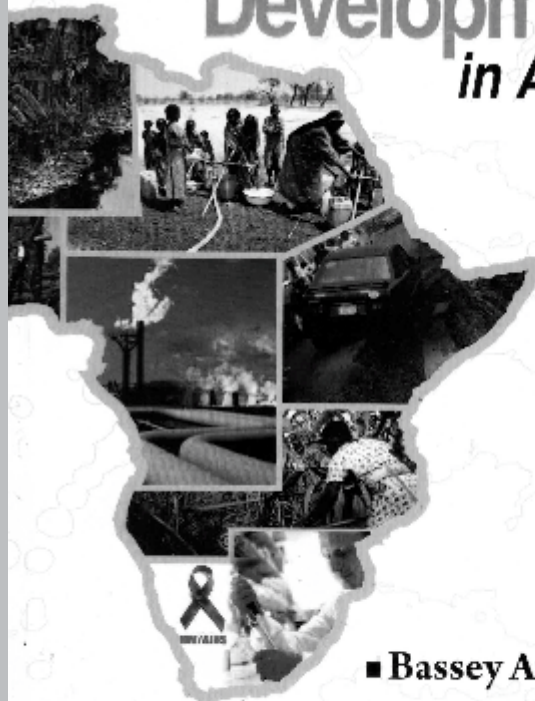
AFRICAN DEVELOPMENT CHARTER SERIES

In strengthening collaborative research, the African Research Council on Sustainable Development adopts a flexible approach to improve technical skills of researchers by allowing for regional determination of research priorities. This strengthens closer ties among researchers, government institutions and other agencies who work within the purview of reviewing development policies and challenges in order to advance alternative strategies for sustainability.

Most issues presented here were first discussed at International Policy Research Summits and Conferences. The African Development Charter Series (ACDS) is not just a research document, but a strategic and well coordinated policy framework, featuring broad-based and integrated strategies towards transforming the social and economic landscape of developing economies of the World and Africa in particular. It does not claim to capture the complexity of development issues in Africa but provides useful insights and new directions based on the expertise of respective authors that shed light on the challenges within, newly emerging development concepts, and opportunities that arise for sustainability.

AFRICAN DEVELOPMENT CHARTER SERIES

Rethinking **Sustainable Development** *in Africa*



■ Bassey Anam

AFRICAN DEVELOPMENT CHARTER SERIES 2

Infrastructure, Economic Development and Poverty Reduction in Africa

**Bassey Anam
Agnes S. Antai**

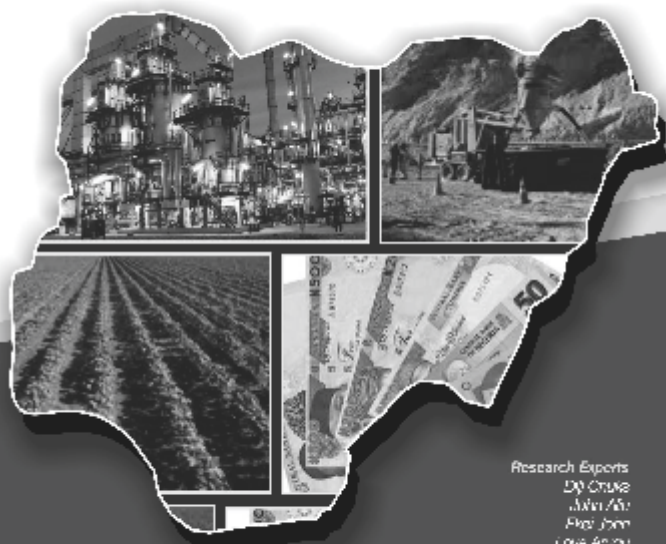


Research Experts
Diji, C. J.
Love Arugu
John N. Aliu
Ekei John Okon
Margret Kabuch
D. G. E. Mbaegbu
Abiodun Adelegan
Chikezie Okorankwo

AFRICAN DEVELOPMENT CHARTER SERIES 3

The **Nigerian Economy**

► **Structure** ► **Growth**
► **Diversification** ► **Sustainability**



Bassey Anam
Agnes Antai

Research Experts
Dj. Orons
Julius Adu
Peter John
Lola Adu
Margaret Kibben
O. G. P. Mwangi
Chibwe Chikwendo

ENTREPRENEURSHIP, INNOVATION AND MANAGEMENT TECHNIQUES

Published by

International Institute for Policy Review & Development Strategies
www.internationalpolicybrief.org

© February 2016

ISBN: 978-051-562-3

Editorial contacts

Bassey Anam

Institute of Public Policy and Administration
University of Calabar, Cross River State
Nigeria- West Africa
admin@internationalpolicybrief.org
Tel: +234 8174 380 445

Prof. Andreas Kuckertz

University of Hohenheim (570 C)
Institute for Marketing & Management
Business Startups and Entrepreneurship
Germany

Dr. Chuks J. Diji

Department of Mechanical Engineering
Faculty of Technology & Centre for
Entrepreneurship and Innovation (CEI)
University of Ibadan, Ibadan, Nigeria

Taiwo Ayedun

Department of Entrepreneurship
School of Management Technology
Federal University of Technology
Akure, Nigeria

Pietro Moncada P. Castello

European Commission
Join Research Centre IPTS, Es

Collaborating Research Unit

International Scientific Research Consortium
C/O Abdulazeez D. El-Iadan
The Future Institute
10 Coventry Innovation Village
Coventry University.
CV1 2TL

League of Research Excellence Unit

C/O Clement A. Ali
Social Security and National Insurance Trust (SSNIT)
Hostels Ltd, Maputo Flats Two
P.O. Box 25, Winneba-Ghana

International Copyright Law: All right reserved under the International Copyright Law. This volume is published by the International Institute for Policy Review and Development Strategies, Nigeria. This book- its cover page design and content may not be used or produced in any manner without written permission from the International Institute for Policy Review and Development Strategies; admin@internationalpolicybrief.org.

Designed & Produced by:

Advanced Quality Research Publishing

Dedication

Dedicated to the International Institute for Policy Review &
Development Strategies for providing a platform and
supporting Institutional and Collaborative Research on
Sustainable Development.

Acknowledgment



Conferees and contributors are greatly acknowledged for supporting the agenda towards achieving sustainable development in developing economies of the World, especially in Africa.

CONTENTS

Dedication
Acknowledgment

EXECUTIVE COMMENTS

Institutional Research & Policy Direction on Entrepreneurship, Technology and Management

Bassey Anam & Antai, A. S.

Project Coordinators, African Centre for Advanced Entrepreneurial Development Research

2

Entrepreneurship and Dynamic Enterprise

Professor Dana T. Redford

President, Portugal Entrepreneurship Education Platform

5

Entrepreneurship is a Journey of Opportunity

Prof. Adebisi G. Daramola,

Vice-Chancellor, Federal University of Technology, Akure

6

Entrepreneurship: A Sure Means of Combating Unemployment

Arc. Olajide Adejuyigbe

Hon. Commissioner for Education, Ondo State

8

Entrepreneurship Skills: Sure Path to Sustainable National Development

Prof. E. E. Okoko

Acting Dean, School of Management Technology

Federal University of Technology, Akure

10

Innovation: Key Ingredient to Sustained Economic Growth & Improved Social Prosperity

Professor Matthew Olugbemiga Iori

Head of Department, Entrepreneurship Management Technology

School of Management Technology, Federal University of Technology Akure

11

Entrepreneurship and Technology: Two significant factors responsible for the growth of the global economy

Taiwo Ayedun

Department of Entrepreneurship, School of Management Technology

Federal University of Technology, Akure

13

	The Impact of Entrepreneurship in the New Nigerian Economy Olukunle Moses Nigeria Business Directory	15
	Entrepreneurship, Africa's Solution to Job Creation Lesego Motshegwa African Business Conference, Havard Business School	17
<hr/>		
EMPIRICAL STUDIES		
1	A Short History of Entrepreneurial Evolution During the 20th Century: Trends for the new Millenium Prof. Murray Hunter, Hat Yai University, Thailand	22
2	Issues and Challenges of Entrepreneurship Research in Nigeria Dr. Chuks. J. Diji Department of Mechanical Engineaering, Faculty of Technology & Centre for Entrepreneurship and innovation (CEI) University of Ibadan, Ibadan, Nigeria	33
3	Nigeria Entrepreneurial Environment Ayedun, T. A Department of Entrepreneurship, School of Management Technology, Federal University of Technology, Akure	55
4	Entrepreneurship Development In Nigeria: A Socio-economic, Political and Security Perspective 1Aishatu Ahmed Aliyu 2Mohammed Isah Shehu Department of General Studies, Federal Polytechnic, Bauchi, Bauchi State - Nigeria	63
5	Entrepreneurial Skill as a Determinant for Green Procurement Opportunity Exploitation By Small And Medium Enterprises In Nigeria 1Rebecca Olufunke Olutoye 2Prof. Roselyn Gakure 1Department of Purchasing and Supply (CBMS) Kaduna Polytechnic 2Jomo Kenyatta University of Agriculture and Technology, Kenya	75
6	The Impact of Entrepreneurial Education on Inclusive Growth in Nigeria: 1980-2013 1Aigbedion Isibor Marvelous, 2Prof. Sarah .O. Anyanwu & 3Prof. Elizabeth O. Adebayo; 1&2Department of Economics, University of Abuja, P.M.B 114 Abuja 3Department of Economics, University of Abuja, P.M.B 114, Abuja 3Department of Agric. Economics, MAUTECH, Yola	87

7	Entrepreneurial Traits as a Growth Determinant of Women Owned Manufacturing Micro-enterprises in Kaduna Metropolis, Nigeria 1Roselyn W. Gakure 2Catherine E Uloko 1Jomo Kenyatta University of Agriculture and Technology, Kenya 2Kaduna Polytechnic, Kaduna, Nigeria	100
8	Influence of Entrepreneurial Resources on Performance of Landscape Architectural Enterprises in Nigeria 1Mustapha Sani Sada 2Dr. Robert Gichira, & 3Dr. George Orwa 1Department of Human Resources Development, JKUAT, (Kaduna Campus) 2Department of Human Resources Development, JKUAT, Kenya 3Department of Statistics and Actuarial Sciences, JKUAT, Kenya	112
9	Technical and Vocational Education and Training (TVET) and the Challenges of Youth Unemployment in Nigeria 1Diji, C.J, 2Adeniji, J.A, & 3Bassey Anam 1Department of Mechanical Engineering, University of Ibadan, Ibadan; 2Lagos Metropolitan Transport Agency (LAMATA) 3 Institute of Public Policy & Administration, University of Calabar	122
10	Effects of Social Performance of Microfinance Banks on Services to Small and Medium Enterprises In Nigeria 1John Nma Aliu 2Prof. Roslyn W. Gakure & 8Dr. George Oruwa 1Department of Banking and Finance, Kaduna Polytechnic, Kaduna, Nigeria 2&3Jomo Kenyatta University of Agriculture and Tech. (JKUAT)	133
11	Unemployment and the Role of Practical-based Entrepreneurship Training: Evidence from Selected Successful Entrepreneurs 1Kabuoh, Margret Nma, 2Ogbonna Ifeanyi 3Tonade, Abiola M.A 1Business Administration & Marketing Department, Babcock University Shagamu, Ogun 2Department of Business Administration, Yaba College of Technology-Lagos.	144
12	Strategic Management of Entrepreneurship Education Innovations for Sustainable Development in Nigeria 1Jonathan E. Oghenekohwo 2Irene U. Berezi Department of Educational Foundations, Faculty of Education, Niger Delta University, Wilberforce Island, Nigeria	155

Human Resource Planning in Business Organisations

Osemeke, Monday

13

Department of Economics and Business Studies,
College of Management and Social Sciences,
Samuel Adegboyega University, Ogwa, Edo State

168

Office Management: Conceptual Discussion

Erigbe, P. A.

14

Department of Business Administration, College of Management and Social Science
Oduduwa University, Ipetumodu, P.M.B 5533, Ile-Ife, Osun State

201

A decorative graphic featuring a dark, textured rectangular banner with a scalloped edge. The banner is surrounded by stylized black silhouettes of leaves and flowers. The text "Executive Comments" is written in a white serif font, with "Executive" in a smaller size above "Comments".

Executive Comments

Institutional Research & Policy Direction on Entrepreneurship, Technology and Management

EXECUTIVE COMMENTS

|| Bassey Anam & Antai, A. S.
Project Coordinators
African Centre for Advanced Entrepreneurial Development Research

Entrepreneurship is an important factor in the development of any nation. Entrepreneurs are responsible for taking calculated risks that open up doors to progressively higher levels of economic growth. Were it not for them, the world would never have known such marvels as the wheel, electricity or the Internet, to name just a few. Entrepreneurs are the veritable backbone on which the world and modern ideas continue to develop. The magnitude and reach of their contributions, however, extend much beyond the world of business and economy, and to them goes irrefutable credit for the growth and evolution of societal economy at large. Developed nations across the world owe their current prosperity to the collective effort of intrepid entrepreneurs, on whose innovation also rests the future prosperity of the developing world.

The larger rewards of risk taking in starting an enterprise and developing it into a successful business venture. The scope of financial freedom and flexibility that entrepreneurialism allows is a means to simultaneous individual and national prosperity. If this holds true for economies around the world, it has especially relevance for Nigeria, which is at the cusp of a new era of progress.

Nigeria is home to people of the Ibo culture, an extremely resourceful ethnic group that is known for its traditional entrepreneurial prowess. Consequently, this well endowed sub Saharan nation has a strong undercurrent of enterprise running through its veins, which has helped it survive and emerge out of a long and difficult history. Inheriting a fortune in oil and gas reserves after ceding from British colonial rule in 1960, Nigeria as early regimes banked heavily on non-renewable resources to generate rich returns. The oil boom of the 70s marked a period of tremendous national profit _ an aggregate of more than \$600 billion over four decades. However, civil strife and political uncertainty spawned an atmosphere of disregard for inclusive growth, eventually brining about a steady decline of agriculture and traditional industries. The outcome was the creation of the Nigerian Paradox, a situation of huge economic disparities that drove most of this resource abundant country's population into desperate poverty.

Traditional Nigerian entrepreneurship began in a climate of economic stagnation and as a purely survivalist endeavour. Dismal human development indices, unemployment and infrastructure deficits resulted in the evolution of a massive informal economy that depended almost exclusively on personal initiative and hazardous risk taking capacity. This vast, unorganised sector, covering a wide range of products and services, quickly filled the gap left by subsequent decades of misrule and failed economic policies.

It is ironic, to say the least, that the Nigerian informal economy has now grown to a stage where it contributes over 65% of Gross National Product, and by the governments own admission, accounts for 90% of all new jobs in the country. The return of democracy in 1999 ushered in a period of economic reforms and a renewed focus on enterprise development as the only viable means to sustainable growth. Nigerian leaders initiated a massive programme of disinvestment and financial deregulation aimed at boosting business development across the Micro, Small and Medium Enterprise (MSME) space. Progress has been hampered by institutional deficiencies and widespread bureaucratic and political corruption, although it is still too early to comment on the long term accomplishments of Abuja's renewed efforts at jumpstarting the economy.

One of the primary reasons why the country struggles to keep up with the developed world despite its considerable human and natural resources is a lack of progressive and holistic policies. Nowhere is this more apparent than in the case of education. Despite recent achievements that prove Nigeria's potential for entrepreneurial triumph, there is little doubt about the severity of constraint on the road ahead.

One of the principal problems is very simply the fact that Nigeria is not perceived as a promising business destination. The high cost of doing business, corruption and systemic flaws in the country's economic policies have cumulatively succeeded in keeping off potential investors. Massive infrastructural deficits, particularly with regards to roads and electricity, are further turn offs. The most significant aspect of the problem, however, is Nigeria's nascent and shaky polity, constantly under threat from civil intolerance and rising religious extremism.

Social problems, growing out of deplorable human development indicators in the absence of inclusive growth, form the second significant obstacle for Nigeria. The status of women and their traditionally limited involvement in entrepreneurial activities is a significant drawback from the perspective of rapid social and economic growth. The issue is further compounded by a catastrophic divide in the condition of rural and urban populations.

Entrepreneurship is the foundations of any developed nation. For Nigeria to reap the full benefits of a dynamic and evolving economy however requires the overcoming of entrenched social, financial and political hurdles. Informed government policy, education and international participation are crucial for Nigeria to shake off its third world heritage and achieve the full breadth of its economic potential.

Entrepreneurship and Dynamic Enterprise

EXECUTIVE COMMENTS

|| Professor Dana T. Redford
|| President, Portugal Entrepreneurship Education Platform

Entrepreneurship plays a vital role in the development of a country's economy as this is the key contributor to innovativeness, product improvement and reduction of unemployment. It is the practice of starting a business in order to earn profit on new found opportunities. More than that, its dynamism goes a long way to stabilize the economy of a nation as well as generate massive returns to the government.

According to a research by The Global Entrepreneurship and Development Institute, it was found that USA is a world leader when it comes to supporting its entrepreneurs in respect to business formation, expansion, and growth. They also finance new businesses through venture capital. This type of financial capital is provided to early-stage, high-potential and riskier start-up companies. Countries like Canada, Australia, came second and third respectively according to the 2014 statistics. These countries' economies are ranking very high because they understand the impact entrepreneurs play to the growth of their economy. Their GDP are always on the increase thereby increase in their economy (Francis, 2008).

Small businesses are the heart of any country's economy and a country that does not play with its entrepreneurs has a better chance of an improved economy. The future of African economy depends largely on its entrepreneurs as well as government policies on entrepreneurship, Francis added.

Entrepreneurship, innovation and enterprise dynamics are at the core of technology development and growth. Comparative evidence on key drivers, patterns and trends, as well as framework conditions, and the way these shape entrepreneurship, innovation and enterprise dynamics is critical for the design of effective policies in support of employment and inclusive economic growth.

Entrepreneurship is a Journey of Opportunity

Prof. Adebisi G. Daramola, FNAAE
Vice-Chancellor
Federal University of Technology, Akure

EXECUTIVE COMMENTS

It gladdens my heart to welcome you all to the second (2nd) International Sustainable Development Conference on Entrepreneurship, Technology and Management Technology organized by the International Institute for Policy Review & Development Strategies in collaboration with the Department of Entrepreneurship of this University. This synergy shows the level of confidence reposed in our University and particular, the Department of Entrepreneurship of our University by the Institute for Policy Review & Development Strategies.

I especially welcome the keynote speakers at this conference, that is, Prof. Dana T. Redford, President of the Portugal Entrepreneurship Education Platform (PEEP); Sergio Arzeni, Portugal, Director, Centers for Entrepreneurship, SMEs and Head of the Local Economic and Employment Development (LEEP), Paris, France and our own Prof. Enobong Etim Okoko, the immediate past Acting Dean of the School of Management Technology of this University. Similarly, I welcome the entire participant that have travelled from the various parts of the world to this conference and wish you all a successful conference.

I am aware that one of the activities of this ceremony is the conferment of the Institute's prestigious distinguished African Entrepreneurship Award on some eminent Nigerians including the Registrar and former Dean of School of Management Technology of this University, Dr. (Mrs.) Modupe Ajayi and Prof. Enobong Etim Okoko respectively, our amiable Entrepreneurship and Chairman/CEO of workman Computers, Dr. Deji Fasuyi, the Executive Director of AGE Consults Ltd., Mrs. Omotola Omowumi Adegbenro as well as the founder of MICMAKIN Nig, Ltd; the maker of the popular OYATO Load, Mr. Olayato Aribio.

I felicitate with the Department of Entrepreneurship Management Technology for collaborating with the International Institute for Policy Review & Development Strategies to organize this conference. I acknowledge the efforts of members of the Local Organizing Committee who have done a good job to make this conference a success. Your commitment is note worth and it is my hope that you will keep it up.

This conference is coming at a time of high unemployment rate in our country in spite of the fact that we are blessed with a market with great potentials for entrepreneurship and job creation. It is also when our nation and international economies are witnessing undaunted stress from multiple causes and the competition for limited resources is becoming fierce. In all of these challenges, we need to look inwards as researchers in entrepreneurship management technology to proffer practical solutions to observable impediments to wealth in our society. We need to link theory with practice and get down from the highland we have isolated ourselves to make our work relevant to today's challenges.

This is one of the reasons this University has placed premium on both theory and practical to equip our students with skills required to be self-reliant upon graduation. I, therefore, encourage participant to engage in useful discussions that will further enhance job creation and resultant poverty reduction.

Distinguished ladies and gentlemen, Entrepreneurship is a journey of opportunity exploration and risk management to create value for profit, and lecture in this field think out of the box to make our products relevant to the new and emerging society. We must impact our student with relevant knowledge of entrepreneurship technology. It is also my hope that the outcome of this conference if channeled to the appropriate organs of Government will result in the formulation of policies to assist, support and develop micro and medium scale enterprise as well as structural developments that will promote entrepreneurship and change in our socio-economic life.

It is also my hope that participants will use this noble platform for value addition. Efforts should be geared towards identifying ways to close the gap between entrepreneurship education and real world requirements in entrepreneurship through focus on apprenticeship and internship.

It is therefore my pleasure to declare open the second International Sustainable with the theme: Research in Entrepreneurship: Bridging theory and Practice"

Thanks you and wishing you a fruitful rewarding conference.

Entrepreneurship: A Sure Means of Combating Unemployment

EXECUTIVE COMMENTS

|| Arc. Olajide Adejuyigbe
Hon. Commissioner for Education
Ondo State

Unemployment is one of the contemporary societal issues facing developing and even developed economies. There is no nation in the world that can adequately tackle this problem. Unemployment has reached an embarrassing level and the lost of employment opportunity for young graduates has led to frustration, insecurity and uncertainty about the future.

Entrepreneurship is a sure means of combating unemployment, poverty and under-development in the developing nations. It is also a strategy for rapid economic development in both developed and developing countries.

Entrepreneurship education aims at preparing and equipping students of secondary and tertiary institutions with relevant theories, knowledge and practice of entrepreneurship. It also seeks to prepare students to venture into job creation and nurturing of entrepreneurship successfully in emerging economies like Nigeria.

Entrepreneurial education was introduced as a compulsory subject in the secondary schools curriculum by the Nigerian Educational Research and Development Council (NERDC) to ensure that a student is skilled in one profession or the other. It is also to address the problem of unemployment among the University graduates in the country as well as serve as a measure to strategically reposition the nation's economy to make adequate use of most of its local resources both human and material in a way that school leavers and graduates can be self-employed through acquired entrepreneurial skill either in the secondary school or in the University.

Ladies and gentlemen, you may wish to note that the mission of the administration is "to mobilize the people on Ondo state to harness all our God given resources to create wealth for the end of individual happiness, collective fulfillment and peaceful cohabitation in an environment of transparent and honest leadership". At the inception of this administration in February, 2009, findings revealed that most of our youths had been weighted down by the

phobia of unemployment, Government resolved to integrate entrepreneurship programmes into our school curricular.

The establishment of a new Ministry – Ministry of Adult, Technical and Vocational Education (MATVE) was a fall-out of this decision. This Ministry has since established more skill acquisition centre in all the eighteen (18) local government areas of the state, in addition to the five (5) Technical college that were hitherto in existence.

Besides, my Ministry has jealously implemented the Federal Government policy on entrepreneurship development economic sustainability. Our secondary school curricula are geared towards self reliance. It is now mandatory for students in senior secondary school to offer at last one trade subject up to the certificate level. This policy has no doubt reawakened the spirit of entrepreneurship among our students. It is hoped that these student would be self reliant and equally be employers of labour after graduation from technical and tertiary institutions in the nearest future.

Distinguished participant let me assure you that the Ondo State Government will continue youth empowerment, job and wealth creation in order to eradicate poverty and increase the productivity of small and medium scale entrepreneurs in the state and indeed the nation.

Finally, I want to once again congratulate the international Institute for Policy Review & Development Strategies for this Conference. I am sure that the outcome of this meeting would be for the advancement of entrepreneurship education and training in Nigeria.

I wish you all fruitful deliberations
Thanks you and God bless.

Entrepreneurship Skills: Sure Path to Sustainable National Development

Prof. E. E. Okoko

Acting Dean, School of Management Technology

Federal University of Technology, Akure

EXECUTIVE COMMENTS

It is with great delight I congratulate the organizers of this conference on the initiative and the thoughtfulness that informed the choice of the theme of the conference i.e. "Research in Entrepreneurship: Bridging theory and Practice" it is apparent that a major challenge in our National economic development today is sustaining a productive link between theory and practice. The problem really does not know what to do or how to do it, but actually doing it.

If our strive for National Development will be sustained, adequate attention must be paid to the development of Entrepreneurship skills through up-to-date technology and management techniques. Research endeavours must continue and research findings must translate to practice. The theme of this conference, therefore, is apt.

The school of Management Technology aligns itself within the vision and core value of the University. One fundamental element of the vision of the University is promotion of Research and Scholarship to re-position the University for Maximum Positive Impacts on the society. The programmes in the school, especially Entrepreneurship Management Technology are packaged and delivered to further this cause. The choice for the theme this conference is therefore, a perfect choice and I believed strongly that every participant will be adequately imparted.

I, at this juncture, therefore, express my appreciation to God for the journey mercies granted the participants who travelled from far and near to attend this conference. The commitment of the organizers of the conference is also recognized and duly appreciated.

On behalf of the University Management, the entire staff and students of the school of Management Technology and the University community, I wish every participant blessed moment at this conference.

Thanks

Innovation: Key Ingredient to Sustained Economic Growth & Improved Social Prosperity

Professor Matthew Olugbemiga Iori
Head of Department
Entrepreneurship Management Technology
School of Management Technology
Federal University of Technology Akure, Nigeria.

EXECUTIVE COMMENTS

I am greatly honoured to welcome you to this 2nd Sustainable Development Conference to Entrepreneurship, Technology and Management Techniques. The theme of this year's conference is "Research in Entrepreneurship: Bridging theory and Practice".

As you are all aware, this conference has been supported by the centre for Entrepreneurship Research, Business School, University of Edinburgh, UCLA Anderson School of Management, Business School of Oxford and African Centre for Advanced Entrepreneurship Development Research.

The conference adopts innovation system approach. Innovation both technology and scientifically, is one of the key ingredients to sustained economic growth and improved social prosperity. This is true regardless of a country's economic stage. The difference in technological capabilities among nations is not a disadvantage but rather calls for different combination of science and technology. However, there exists the "valley of death" (gap) between research resources (various research outputs in the engineering and science and commercialization resources entrepreneurship).

Within the context of developing countries like Nigeria, the valley of death is referred to as the extreme difficulties faced when converting an invention, business idea into a successful and concrete application. While lack of funding, infrastructural facilities and private sector interest are prominent, yet there is still the need for technology entrepreneurship skill to adequately transverse this valley. Hence technology entrepreneurship is an important link that will bring together the technology and commercial works. This conference therefore, provides a platform of interactions for policy makers, entrepreneurs, researchers and academics with a view to sharing ideas on the best practices in Entrepreneurship that will bridge this gap.

At this moment, I would like to acknowledge the chief host and Chairman of this occasion, our own indefatigable Vice-Chancellor, Professor Adeediyi Greg Daramola who is also the Chairman, Committee of Vice- Chancellors of all Nigerian Universities. The appreciation is necessary because of this unalloyed support for the Department (EMT) and indeed the school (SMAT) right from the onset.

The Department, which was established in 2011, offers a Bachelor of Technology (B. Tech) Degree in Entrepreneurship. In line with the global practices and the important of Entrepreneurship in Economic growth and Development, the Department has as its main goal of developing creative minds that are well groomed for leadership responsibilities and innovativeness in the public, private as well as not-for-profit organizations. To this end, the Department strives to develop entrepreneurial spirit among students through basic knowledge of entrepreneurship concepts, theories, principal and practices for a more vibrant and productive Nigerian society. We also endeavour to equip the student in the department with requisite skill in the areas of analytical assessment, problem-solving, risk and conflict management as well as financial and general management. Several areas of specialization in the department include Social Entrepreneurship, Technology Entrepreneurship, Innovation Management, Small Business Management and Agricultural Entrepreneurship.

Distinguished participant ladies and gentlemen, I am glad to inform you that EMT has keyed into vision and core value of the University to excel among comity of Nigeria University and indeed worldwide.

On a final note, I wish to commend the conference organizers, and the department of EMT for putting all resources together for the success of this conference, and I wish all the participant fruitful deliberations.

Thank you.

Entrepreneurship and Technology: Two significant factors responsible for the growth of the global economy

Taiwo Ayedun

Department of Entrepreneurship
School of Management Technology
Federal University of Technology, Akure

EXECUTIVE
COMMENTS

Entrepreneurship and Technology have been the two most significant factors responsible for the growth of the global economy especially in the last half century. In particular, the evolution of the personal computer since the late 1970s, and the birth and growth of the Internet since the 1990s, have revolutionized business models in various national economies and largely influenced the ways and manners in which international business is done. The Internet, in particular, has enabled a vast number of small and medium scale enterprises all around the world to engage in direct business interaction with consumers and other businesses across international borders. This form of international trade was previously accessible only to the large multinational companies.

In the distant past, the process of launching a new business enterprise with an innovative product or service, and projecting such a product or service to international limelight was tortuous and unpredictable. Today, start-up companies complete the cycle of growth from inception to global dominance in only a few years or even months. For example, the international social networking service company, Facebook, was founded in February, 2004 by a second-year University student. In only 11 years, Facebook has grown to become one of the largest businesses in the United States with more than 10,000 employees and assets in excess of forty billion US dollars (US\$40 billion). Another start-up social networking service, Whatsapp, was founded in 2009. In less than five years, it became a global brand. It was acquired by the Facebook company 2014 at a price of US\$19 billion, of which \$4 billion was paid in cash besides \$15 billion is shares and stocks.

Traditionally, economists and academics in other fields of the Social Sciences and Management studies have studied the growth of business enterprises and developed theories and models which are adaptable and provide planning guidance to policy makers. Although, modern start-up enterprises develop rapidly and bear their distinct peculiarities, it is possible to develop scientific models for evaluating and predicting the prospects of start-up

businesses in the today's world.

Mr. Chairman, Ladies and Gentlemen, we have come here from various institutions and corporations at this time to share ideas and research findings on modern trends in entrepreneurship. Our theme is "Research in Entrepreneurship: Bridging Theory and Practice". Our goal is to brew a blend of theories and models that are adaptable through education and training for best practices in entrepreneurship promotion. Our conclusions at the end of this conference must be amenable to adaption by economic planners and policy makers in our various nations and organizations. The conclusions must also become intellectual feedstock for further research in entrepreneurship management.

Thank you very much indeed.

The Impact of Entrepreneurship in the New Nigerian Economy

|| Olukunle Moses
Nigeria Business Directory

EXECUTIVE COMMENTS

An entrepreneur is an organizer; someone with a dream and the initiative to take the risks required to convert that vision into an enterprise offering a service or product consumers will want to purchase. Entrepreneurs play a vital role in the development of any country's economy, whether a developing nation, such as Nigeria, or an established one, like the UK or Germany.

The big difference is that in a developing country it is arguably easier for a young and relatively inexperienced entrepreneur to establish him or herself because the market in which they are operating is not fully mature and is therefore more fluid and open.

In the past, it has been difficult for Nigerian entrepreneurs to raise the capital necessary to startup and fund companies. A relatively small number of families were wealthy enough to provide financial support and banks only maintained a presence in the major conurbations. Without any collateral to guarantee loans there was therefore no way for the vast majority of individuals to see their dreams become realities.

Throughout the 1970s and 80s, however, government legislation, such as the Structural Adjustment Program, was gradually introduced, which stimulated entrepreneurship within the country. Since then, traditional industries have been transformed, resulting in energized local economies and an increased number of employment opportunities.

One of the biggest boosts to entrepreneurship in recent times occurred on April 6, 2014 with the revaluation of the country's GDP using 2010 as the base year rather than 1990. Based on the revised figures, Nigeria is now listed as being the 26th largest economy in the world, which puts it well on track to achieving the government's target of becoming a G20 nation by 2050. There is little doubt that this phenomenal growth is largely due to the efforts of Nigerian entrepreneurs over the past 20 years or so.

Two of Nigeria's most successful entrepreneurs over this period are Aliko Dangote, owner of the Dangote Group, and Tunde Folawiyo, who owns the Yinka Folawiyo Group. These two

companies operate in very similar areas such as cement manufacturing and sugar refining. Between them they are also involved in importing and exporting, construction, agriculture, transport, flour milling, banking, property development, telecommunications and oil and gas.

Aliko Dangote was born on April 10, 1957 and was educated at Al-Azhar University in Cairo. He founded his first company in 1977 with a loan from his uncle. Today the group employs some 11,000 people and Dangote himself has become well known for making substantial donations to the National Mosque and the Presidential Library. Fellow Nigerian, 54-year-old businessman Tunde Folawiyo, took over the family business on the death of his father in 2008. He has since expanded the company into one of the country's largest family-owned enterprises. He was educated at the London School of Economics where he gained a Masters Degree in Law in 1985. In addition to being an incredibly successful entrepreneur, Tunde Folawiyo is a philanthropist dedicated to improving educational standards within Nigeria and acting as a mentor to youngsters interested in embarking on careers as business leaders. Thanks to improvements in the availability of business loans, strong and sustained economic growth and a steadily improving educational system, the future looks bright for young entrepreneurs who are just starting out. It is this new generation of risk-takers who will carry the responsibility for ensuring that the country achieves G20 status and establishes itself as a free and democratic state that can hold its head high in the international community

Entrepreneurship, Africa's Solution to Job Creation

Lesego Motshegwa
African Business Conference
Harvard Business School

EXECUTIVE COMMENTS

In a 2011 news story, Business Week reported, "More than 200 million people globally are out of work, a record high, as almost two-thirds of advanced economies and half of developing countries are experiencing a slowdown in employment growth".

"First of all, unemployment is a world-wide problem. It is a problem in Europe, in Spain and Italy, so it is not just an African problem," Nicholas Okoye, President/CEO Anabel Group told ABN Digital.

Okoye believes that the main solution to unemployment in Africa is entrepreneurship especially as it enables job creation get to the grassroots. "Not everybody can work in the big industries, for example, some people can be vulcanizers, some people can be plumbers, and it's still a job." Despite the creation of 37 million new and stable wage-paying jobs over the past decade, only 28 percent of Africa's labour force holds such positions. Instead, some 63 per cent of the total labour force engages in some form of self-employment or "vulnerable" employment, such as subsistence farming or urban street hawking.

At last year's Africa industrialisation day which highlighted the crucial role of job creation and entrepreneurship in eradicating poverty, the United Nations Secretary General, Ban Ki-moon said that accelerating industrialisation in Africa required a focus on Job creation and entrepreneurship. "Entrepreneurship is the solution to the problem of job creation but it has key drivers. The things that I believe drive entrepreneurship are infrastructure, policies, skills, funding and tax incentives. These things must be right for entrepreneurship to be a success," Okoye explained.

The experiences of other emerging countries suggest that in the next coming decade Africa can dramatically accelerate the rate at which it is creating sustainable jobs. Based on current trends, Mckinsey Global institute estimates that the continent will generate 54 million jobs by 2020 however; Okoye believes that this can only be achieved through entrepreneurship.

"When I talk about entrepreneurships, I don't mean only those big companies that were started by entrepreneurs. I'm talking about the SME's, the small businesses and even the micro-small business. Everybody can become an entrepreneur."

Lack of Skills: "The people in the grassroots can't compete with the people in the industries because of lack of skills. Take the major industries for example. The Telecoms industry, the manufacturing industry, the banking sector and the government. You need highly skilled people. The employees need to be able to use computers and be very highly skilled," Okoye said.

If the trends of the past decade continue, Africa will create 54 million new, stable wage-paying jobs in the next ten years—but this will not be enough to absorb the 122 million new entrants into the labour force expected in the same period. However, by implementing a five-part strategy to accelerate the pace of job creation, we estimate that Africa could add as many as 72 million new wage-paying jobs over the next decade, raising the wage-earning share of the labour force to 36 per cent.

There are so many other sectors that are just not developed. For example, agriculture. I heard that in some places in Nigeria, they import eggs. "It doesn't have to be something large but maybe people creating 20-30 eggs per day."

According to the tenth Education for All Global Monitoring Report, in Sub-Saharan Africa, over 56 million people aged 15 to 24 have not even completed primary school and need alternative pathways to acquire basic skills for employment and prosperity. "We can train the people that don't have the adequate skills to work in the highly skilled sectors to farm. Nearly everybody in the villages has a farm and they can be trained to make money from this but they need the government's support."

Despite significant progress in enrolling children in school in a country like Ethiopia, the report shows that few are on track to meet the six Education for all goals set in 2000, and some are a long way behind. Over 10 million are still out of school in Nigeria.

Capital Accumulation and Government Policies: With supply and access to capital critical to stimulating entrepreneurship and economic growth, the International finance corporation estimates that up to 84 per cent of small and medium-sized enterprises in Africa are either un-served or underserved. Thus representing a value gap in credit financing of 140-170 billion US dollars.

"All the governments across the continent need to realise the need to create jobs and then this will enable them ensure that government spending is directed towards job creation," He believes that until capital for the SME's is made available by governments across the continent, there will always be a gap in providing the funds for the entrepreneurs.

"72 per cent of the government's spending is put into recurrent expenditure, and then the remaining 28 percent is put into capital spending. The government can put some of the recurrent spending into the creation of jobs. For example, part of the re-current spending that is used to send Nigerian students abroad can be used to train the students here and therefore create jobs for people,"

He is also certain that parts of the re-current expenditure currently used for subsidy can be used to create refineries here. "The government needs to put policies in place that support the production of locally manufactured goods. This will create jobs and promote our local goods. For example, there is no family in Nigeria that does not eat eggs, yet I heard that we import eggs. Rice is another example."

In Dubai, for instance, pharmacies have to sell made in Dubai drugs. They also sell imported drugs but by implementing laws that force drugs made in Dubai to be sold in pharmacies, this creates employment and Okoye believes that Africa needs laws like this as well to create sustainable and inclusive employment.

Implications of Structural Unemployment

The implications are obvious. The kidnappings, rituals and perpetual violence we see and hear about is a result of the frustration of the youths, the Al-Qeada linked militant group in Somalia is a result of the frustration, a lot of the problems on the continent are," he said.

Developments experts and participants at the forum believe that the income disparity and attendant social unrest are the issues most likely to have a big impact on the world economy this year and in the next decade adding that there was an observed 'lost' generation of young people coming of age in the 2010s who lack both jobs and in some cases, adequate skills for work, fuelling pent-up frustration.

"The continent must deal with the issue of unemployment if it is to progress and one of the only ways it can do this is to ensure that there are enough entrepreneurs. That is the only to create sustainable and inclusive employment," said Okoye.

WEF chief economist, Jennifer Blanke, said, “Disgruntlement can lead to the dissolution of the fabric of society especially if young people feel like they don't have a future. This is something that affects everybody. This could easily boil over into social upheaval, as seen already in a wave of protests”.

Sub-Saharan Africa Looks to Entrepreneurs for Job Growth

Job creation is the most important issue for the future of the sub-Saharan region, with the largest percentage (48%) of survey respondents citing it. Job creation takes precedence over other important issues, such as eradicating corruption, health and sanitation, or political stability.

Entrepreneurs are among the top drivers of job creation for young people (36%), but technology and education are equally important. The majority of survey respondents (59%) look to entrepreneurs to advance the economy by creating jobs.

Corruption and lack of business transparency are the top barriers to entrepreneurship, according to 45% of survey respondents, followed by lack of access to capital and financing (35%).

Agriculture and natural resources are the sectors that will, over the next five years, create the most jobs, according to 43% and 35% of survey respondents respectively. The natural resources sector is seen as a top catalyst for entrepreneurs (37%), and agriculture is the sector that will produce the most entrepreneurs over the next five years, according to 43% of survey respondents.

Sub-Saharan societies have largely positive views about entrepreneurs, with a majority (56%) counting on them to create jobs, and believing that they worked hard for what they achieved (56%). A significant majority of survey respondents (72%) would prefer to start a business rather than work for an existing organization.



Empirical Studies..



1

A Short History of Entrepreneurial Evolution During the 20th Century: Trends for the new Millenium

Prof. Murray Hunter
Hat Yai University,
Thailand

Introduction

Looking at entrepreneurship from the economic-history context allows us to look at the flow of events in time and space such as inventions and innovations, the context in which they occurred and the impacts upon society these actions and events had. Looking directly at the biographies of historical figures can assist us in seeing the historical contexts of their efforts, innovations, or inventions. This may help us to understand how their insights occurred and opportunities were identified and exploited, showing us the reasons behind the trajectories these historical figures took with their inventions and innovations which impacted upon society's future development path. Take for example the biography of Thomas Edison we can see the importance of systematic development work, self promotion, and having a workable and viable business model in mind to exploit any subsequent invention. These were paramount elements of his success. Many of the failing entrepreneurs of the dot.com bust of 2000 failed to see the necessity of having a workable and viable business model to exploit their ideas and could have well learnt from the lessons Edison gave us.

Many inventions, subsequent commercialization and acceptance by society have dramatically changed our way of life over the centuries. Electricity and the electric light, the aircraft and jet engine, the automobile and combustion engine, microchips, computers and mobile phones have all in different ways drastically changed society. These changes have led to further opportunities which entrepreneurs have been able to exploit. The transmission of electricity to homes allowed a host of other electrical devices to be invented, air travel led to air freight, travel agents, air terminal services, interstate, inter-regional and international business travel, and the building of hotels around the world, the automobile has led to automobile service stations, the invention of seat belts and other safety equipment, microchips have led to the invention of many items like digital watches, calculators, hand

Adopted with permission from the 4th Media, July, 2013

held GPS devices, and a host of other products. Computers and mobile phones have led to opportunities in software development and peripheral products and services. We owe the progression of our social existence to the invention of new technologies and ways of doing things, the creation of so many concepts and tangible things like alphabets, language, the wheel, farming techniques, cooking, social institutions, and the legal system, etc.

From the historical context it can be argued that innovation is governed by the period and place an entrepreneur resides. Thus innovation is a period and regional phenomenon and the great inventors through history were products of their environment spotting, and exploiting opportunities, rather than people with brilliance in isolation. The inventors and entrepreneurs only knew what their time and place allowed them to know. Innovation is thus a situational phenomenon and therefore the time and space aspect of understanding opportunity is important.

Following on from the above argument, novelty becomes a relative concept to time and space. Something that is new to one location may have long time been accepted product or service in another location. McDonalds was accepted in the United States market before it was introduced into foreign markets, where it was novel in each new market at the time of its introduction. Pizza was long accepted in Italy and Greece before it was introduced into the United States in the early 20th century and rest of the world after the Second World War. This has been an advantage for many students from developing countries studying in developed countries, where they have been able to identify novel business concepts in countries that they studied in, and went home to apply these concepts in their home countries upon their return. For example, many new manufacturing, retailing or service business concepts were started in South-East Asia by returning students. The Econsave supermarket group in Malaysia was inspired and founded by Malaysian students observing independent Foodtown supermarkets in Melbourne, Australia.

The nature of opportunity is such that it is ephemeral and transitory through time and space. Opportunity can be equated to periodically opening and closing doors along a corridor. True opportunities may not exist because a piece of technology is missing. For example, the idea of tourists visiting orbital hotels for holidays will remain only a concept until low cost transportation from the Earth to orbit has been developed. Thus space holidays may be an opportunity for another time, although it is an idea today. Many ideas have to wait for technology to catch up. An opportunity may exist in one place but not in another. Opportunities may exist for high end cafes and coffee shops in densely populated urban areas and high volume passenger transport terminals like railway stations and airports but there may be no opportunity for the same concept in much less populous rural areas where

incomes may be much lower and the “urban café culture” does not exist. This shows the importance of time and space.

Legacies from the 18th and 19th Centuries

The inventors of the 18th and 19th Centuries made great contribution to the development of Britain, Europe, and America, laying the foundation for these regions to grow at unprecedented rates in the next century. The American South was developed through the steam boats and the cotton industry established with the aid of inventions by Kay, Hargreaves, Arkwright, and Crompton. The American West was settled through the assistance of the railroads and innovation with refrigeration which allowed the cattle industries to supply the East with meat. Some of the most well known American brand names were created during this time from entrepreneurial start-ups aimed at exploiting an opportunity, with similar stories to those outlined in the last section (see Table 1). Mercantilism declined in at the end of the 18th Century and the whale industry around the middle of the 19th Century when petroleum became a substitute for whale oil, showing that opportunity is characterized with a limited lifespan.

Table 1 Some major companies founded during the 19th century

Year Founded	Company	Founder	Major Products/Activities
1857	Bethlehem Steel Corporation	First organized by Augustus Wolle. Charles M. Schwab and Joseph Wharton assumed name in 1904	Iron mining, coal mining, steel production, ship building, and railroad car production. Suffered from more competitive foreign competition, domestic mini mill production and change to lighter construction materials and went into bankruptcy in 2001.
1887	The Coca Cola Company	Asa Griggs Candler purchased exclusive rights to John Pemberton's formula.	Originally developed as a non-alcoholic drink during prohibition in Atlanta in 1886. Became Americas No. 1 selling soft drink by the early 1990s. Coca Cola followed the American war effort around the world and established franchising operations in numerous countries. The Coca Cola company has acquired many brands and is now a leading beverage brands company around the world.
1802	E.I. du Pont de Nemours and Company	Eleuthère Irénée du Pont	Originated as a gunpowder manufacturer, expended into dynamite, divested some assets due to Sherman Antitrust Act in 1912. Invested in Ford Motor Company in 1914, focused on materials science making a number of discoveries and commercializations. 1981 acquired Conoco and expanded into fiber and plastic manufacture. Now a major science based R&D company.
1901	Gillette Safety Razor Company	King Camp Gillette	Developed a safety razor in an era where people had to go to the barber or use a blade prior to this invention. The company developed a brand synonymous with shaving and personal care. The company was purchased by Proctor & gamble in 2007.
1907	Harley-Davidson	William Harley and Arthur Davidson	Started experimenting and making small motorcycles. First offered engines to do-it-yourself trade, then began selling motorcycles. Supplied motorcycles for US war effort, survived the depression. Motorcycles developed outlaw image during 1950s, almost went bankrupt. Revived in the 1980s with a retro-image and Harley motorcycles became sought after, in the "heavy bike" bracket.
1851	I.M. Singer & Co. (The Singer Company).	Isaac Merrit Singer & Edward Clark	Started as a manufacturer of sewing machines. In the 1960s diversified into navigation equipment through acquisition, but sold off in 1990. Sold off sewing machine division in 1989. Singer now produces a wide range of consumer products, including electronic sewing machines. Now owned by SVP Worldwide that also owns Pfaff and Husqvarna Viking Brands.
1873	Levi Strauss & Co.	Levi Strauss and Jacob Davis	Started a work pants manufacturing business with patented copper rivets, which grew to become an

By the end of the 19th century and beginning of the 20th century governments had begun creating regulations and laws governing the railways, roads, banking, and business, establishing a stable business environment. Governments also began to realize their own fiscal and monetary abilities and began to manage their economies from a macro viewpoint. However the continued use of tariffs and protection was to hinder trade in the early 20th Century partly contributing to war and depression. Many entrepreneurs of the 19th Century set the tone of how invention and innovation would occur later in the 20th Century as individuals and corporations, i.e., industrial laboratories, skunk works, etc. Many of the industries started at the turn of the 20th Century were going to grow within massive industries as the century progressed, i.e., automobiles, aviation, steel, petroleum, electric power, communications, media entertainment, and processed products, etc. Entrepreneurship and innovation along the lines of the Schumpeter concept of creative destruction is what made society progress and this was best achieved when encouraged. Figure 1 shows a timeline for the second half of the 20th Century.

Figure 1 Timeline for the second half of the 20th century

The first part of the 20th Century was chaotic for growth and development due to protectionism and national self interest. There were two world wars within a space of less than thirty years. Britain was still a colonial power; Japan was rapidly becoming the power of the East, South-East Asia still underdeveloped and entrepreneurship in America stifled by Roosevelt's quasi-socialist new deal programs. Although the Second World War had a positive influence on new technology development, it was only in the post war years that entrepreneurs began to reemerge in perhaps the fastest thirty years of growth the world had ever experienced. A barrage of new industries based upon newly developed technologies was created and grew, rapidly changing society.

The United States played a major role in victories in both the European and Pacific theatres of war. Most countries within Europe were devastated along with Germany and Japan. China was still locked in civil war and was then to undergo more than 30 years of isolation under Mao's communist rule. The United States was intact and still had occupation troops in both Germany and Japan. The United States under the Marshall Plan took some responsibility for the restoration of Europe and focused on preventing loss of what had been gained in the battlefield to the communist movement. The US war effort had mobilized the steel/shipbuilding, aviation, automobile, and created a host of new technologies with post war civilian applications, where no other country was in this favored position.

After the Second World War, peace and the likelihood of better times ahead, birthrates dramatically increased across the United States, Europe, and Australia. This led to a boom in housing with millions of new homes built in the United States alone within the first decade after the war. Automobile sales soared giving Americans the mobility they had never had before. Great demographic changes were occurring in the United States where people in the north were migrating to the south and west. Cities like Phoenix, Los Angeles, Tampa, Orlando, Dallas, and Houston grew dramatically. Women who worked in the factories during the war to support the war effort now had their own incomes and drastically increased purchases of clothes, ladies fashion items, cosmetics, and other consumer items leading to a great growth in consumption that led to many new opportunities in the personal consumption and household products sectors. This drove an emerging banking and financial sector which grew on mortgage and business borrowings.

These changed conditions gave way to many creative opportunities for those who could see them. For example, after the Second World War there were plenty of experienced women that had idle time after their children had grown up. Many mothers wanted part time work and many businesses wanted temporary skilled workers. Russell Kelly saw this connection in 1946 and started finding temporary jobs for part-time workers on a temporary basis. In his first year of business Kelly had 3 employees, 12 customers, and USD \$848 in sales (Eaton 1998). Today Kelly Services has more than USD 5.3 Billion sales⁹ and operates across 30 countries. It can be claimed that Russell Kelly created the temporary employee industry that is worth more than USD 40 Billion worldwide covering engineering, education, nursing, and other industries with many 1000s of large and small businesses following the Kelly business model.

The example of Amway also shows how innovation can also come from a new business model that is constructed to take advantage of the increasing affluence and spending power of a growing American middle class and recognition that personal relationships have a great influence upon consumer buying decisions. Jay Van Andel and Richard DeVos were close friends and participated in a number of ventures together as partners in the 1940s that included a hamburger stall, air charter service, and sailing business. In 1949 they were introduced to Nutrilite Products, a direct selling company founded by Dr. Carl Rhenborg. Nutrilite had the first multivitamin tablet ever sold in the United States and Van Andel and DeVos seeing the potential of this product signed up as distributors. After attending a Nutrilite conference in Chicago a few months later Van Andel and DeVos decided to go into distributing Nutrilite on a full time basis. Later that year Van Andel and DeVos set up Ja-Ri Corporation in an attempt to add more products to the Nutrilite range they were selling by importing wooden products from South America. They introduced what is called the multi

level concept of marketing where distributors would be given an extra commission on sales made by people they recruit in addition to the margins they make from their own sales, plus another commission based on the sales volume they and their recruited sellers achieve. By 1958 they had over 5,000 distributors.

Van Andel and DeVos with some other top distributors looked into how they could get more products to sell through their multi level marketing networks in addition to Nutrilite and formed the The American Way Association to represent distributors. Van Andel and DeVos bought the rights to manufacture and market a product called Liquid Organic Cleaner (LOC) and subsequently formed Amway Sales Corporation. In 1960 they purchased a 50% interest in the manufacturer of LOC, ATCO Manufacturing Company in Detroit and renamed it Amway manufacturing Company. In 1964 all the companies under the AMWAY banner were consolidated into Amway Corporation. Amway expanded into Canada (1962), Australia (1971), United Kingdom (1973), Hong Kong (1974), Germany (1975), Malaysia (1976), Netherlands (1978), Japan (1979), and to another 45 countries over the last 30 years. Amway is one of the largest privately owned companies in the world today with sales of USD 8.9 Billion in 2009.

The Post World War II Period

Within the first decade of the Second World War more than half American households owned cars, where Ford, General Motors, and Chrysler dominated the market. The automobile very quickly became a concentrated industry based at Detroit. This promoted the growth of specialist manufacturers like A.O. Smith, Bendix, Bosch, Electric Autolite, American Axle & Manufacturing Holdings, and Johnson Controls, etc. which carved out extremely narrow specialist niches. The automobile manufacturers also developed networks of dealers and service centers. The future role of the automobile as a means of travel was greatly enhanced when the US Congress passed the National Highway Act in 1956 to build four lane interstate highways across the United States. Just what the railroads did in the 19th Century, the automobile was going to do in the 20th century opening up the way for passenger and freight travel by road.

As the highways opened up travel between towns and cities, restaurants were needed for people to eat while traveling. Ray Kroc just quit his job at 53 as a paper cup salesman to sell a multiple milkshake mixer to restaurants around the United States. One of the restaurants he called upon was the McDonald's brothers' store in San Bernardino California in 1954. Mac and Dick McDonald's drive-in store had an assembly line arrangement that handled fries, hamburgers, and beverages on a mass production basis which was very efficient and allowed the brothers to monitor quality. Kroc also saw that the restaurant was much cleaner

than others around America at the time and had a family, rather than 'hang-out' type atmosphere that burger joints were notorious for. Kroc envisaged that this model could work successfully all over the United States and negotiated a franchise agreement with the McDonald brothers. Within a year Kroc opened a test store in Des Plaines, Illinois developing procedures and checklists right down to how and when to clean rubbish in the car park. From the first store in 1955, Kroc opened more than 200 stores in the first five years and by the mid 1960s was opening more than 100 stores per year. Kroc opened the Hamburger University to train employees to the procedures of making burgers to operating a store. Today McDonalds Corporation is the World's largest chain of fast food restaurants.

The automobile also changed the way cities developed, now families could live further away from their place of work in newly sprawling suburbs which drove the home construction industry. New suburbs would also create new opportunities for local businesses that supplied groceries and other staples and services to residents, greatly decentralizing retailing in the United States. The new suburbs encouraged the establishment of hardware, furnishing, plumbing, kitchen, white and electrical goods industries to grow. This saw the rise of General Electric consumer products, RCA radios, and Zenith televisions that rapidly expanded to supply increasing consumer demand. Utility companies supplying telephone and electricity became large corporations during this period with rapid increases in demand for basic services.

By the 1950s ordinary people in the United States could afford to travel and the emerging airlines around the world were picking up increased business. Aircraft could fly further in much less time. Aircraft navigation and safety had greatly improved. The Douglas DC 4 and later the much faster Lockheed Constellation were both capable of traveling across the American continent and across the Atlantic directly from New York to London. The development of tracking and weather radar allowed airports to control traffic much more efficiently. Flight was now becoming a common occurrence. This not only led to a growing aviation industry but also led to opportunities to create new tourist industries where locations had suitable vistas and spurred the growth of the hotel industry in major cities.

One entrepreneur at that time Kemmons Wilson saw that hotels around America tended to be dirty, had few conveniences and facilities and didn't have enough space for children who they charged at the same rate as adults. Wilson traveled around the United States with his wife and children staying in many hotels to see what they had to offer. He concluded that people should expect familiar surroundings in the different cities that they stay in, thus a Holiday Inn should be standardized but at the same time have a local theme, clean, predictable, family friendly, and readily accessible to road travelers. He designed what he believed should be a

good hotel, opening the first Holiday Inn in Memphis, Tennessee in 1952. By 1968 there were over 1,000 Holiday inns around the United States alone. The Holiday Inn chain set the benchmark and standards for hotels linking them with an international reservation system that later rivals Best Western, Quality Inns, and Ramada Inns had to match.

By the 1950s radio and television was becoming an important part of American culture. Radio during the war had kept everybody up to date with what was happening and radio took the mantle from newspapers as the most important source of news. Radio broadcast stations increased from 900 in 1945 to over 3,000 by 1948. The National broadcasting Company (NBC) and Columbia Broadcasting System (CBS) dominated the airwaves through their own and affiliate stations. Both networks fought to get the best personalities for their various children's, drama, comedy, mystery, and news programs. Radio advertising became a powerful means to promote products and both networks competed strongly for the advertising dollars. Although experimental television broadcasts began in 1928, regular broadcasting only commenced in 1946 with DuMont Television Network, with NBC following in 1947, and CBS and ABC in 1948. By 1948 more than one million households owned television sets with about 30 broadcasting stations operating in 20 cities around the United States. NBC dominated the early television programming producing similar types of programs to what had been popular on radio. Ownership of television sets grew as they got larger, programming improved and color came in 1954. By the mid 1950s about half of American households owned television sets. Advertisers flocked to this new medium and television was to show Americans that their country was the most advanced technically in the world.

American industry supported by research and development during the war was set to provide a peace dividend to society. Technology affected all aspects of life. Homes ran almost completely on electricity with new inventions like electric garbage disposals in the sink, automatic garage doors and curtains, and a large range of new electrical appliances. Nuclear energy was going to be the power of the future where Lewis Strauss, Chairman of the United States Atomic Energy Commission stated that electricity in the future "would be too cheap to meter." The USSR launched the first satellite Sputnik 1 in 1957 beginning the space race and new medicines and medical procedures were being developed that gave people confidence about the future. Within agriculture too, there were leaps and bounds in technology. Until the green revolution took place in the late 1940s, agriculture relied primarily on traditional methods of production, based on preventative measures and local inputs. Through technology advances during the Second World War, farm productivity improved dramatically. This was achieved through chemical based fertilizers, pesticides, and herbicides, based on petroleum by-products, ironically spin-offs from the chemical warfare programs. This led to

the growth the American chemical companies like Monsanto and Dow Chemical. In addition a number of labor saving and automation inventions and innovations such as the tractor and plough arrays and automated harvesters enabled the development of extensive farming on a much larger scale than ever before, making people believe that the World had food security.

International trade was growing but shipping was inefficient as every package had to be unloaded from a truck or railroad car and lifted by a crane into the hold of a ship and unloaded at the destination in the same way. Malcolm McLean had built up a trucking company from a single truck to a fleet of over 1,770 trucks making his company the second largest in the United States. He saw that the way goods were shipped was totally inefficient and saw great advantages if the whole load could just be lifted on and off a ship, truck and trailer. As trucks on a ship would waste space, McLean refined his idea to just lifting on and off standardized boxes or containers. At the time in the United States the owner of a trucking company could not purchase a shipping line due to antitrust laws. Mclean sold his trucking interests and purchased two shipping lines with the idea of converting the vessels to containerization. Mclean at first converted two old Second World War ships and commenced a container service between New York, Florida, and Texas in 1957. McLean's company was renamed Sea-Land Service Inc. in 1960. Although the idea was initially resisted by the unions at the beginning, containerization gradually became accepted around the world by the end of the 1970s. Although the idea was not completely new, Mclean had refined the concept and put it into practice, which eventually revolutionized the shipping logistics of world trade.

The 1950s came to a conclusion with a decade of continual growth. The American corporation brought a blissful existence to the middle class by employing and providing them with affordable television, entertainment, cars, fast food, and new urban lifestyle in carefully planned suburban situations around a nuclear family that brought conformity. The McCarthyism movement of the decade was allowed to grow out of this conformity and organizations became centers of belongingness and subservience to the greater corporate good, rather than individualism and non-conformism where creativity was a group pursuit. Thus during the 1950s the majority pursued a career rather than self employment and entrepreneurship. American business by 1960 dominated the world in so many fields automobiles, aviation, steel, entertainment, broadcasting, shipping, pharmaceuticals, and petroleum, where corporate American was unchecked by government, foreign competition, consumer movements, or class actions.

Reference

Murray, H. (2013) The 4th Media, July.

2

Issues and Challenges of Entrepreneurship Research in Nigeria

Dr. Chuks. J. Diji

Department of Mechanical Engineering,
Faculty of Technology & Centre for
Entrepreneurship and innovation (CEI)
University of Ibadan, Ibadan, Nigeria

Introduction

Research comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge including knowledge of humans, culture and society and the use of this stock of knowledge to device new applications (OECD, 2002). Research is used to establish or confirm facts, re affirm the results of previous work, solve new or existing problems, support theories or develop new theories. There are several forms of research depending on the subject to be explored, the theories to be examined or the situation to be analyzed. Thus the sphere of research today encompasses all areas of human endeavours.

The goal of the research process is to produce new knowledge or deepen understanding of a topic or issue. This process can take three basic forms namely: exploratory, constructive and empirical research. While exploratory research helps to identify and define a problem or question, constructive research tests theories and problem solutions to a problem or question. Empirical research on the other hand, tests the feasibility of a solution using empirical evidence.

There are two major types of empirical research namely quantitative research and qualitative research. The use of either forms of research is determined by the nature of the research topic and the research questions that the researcher aims to answer.

Quantitative research involves the systematic empirical investigation of quantitative properties and phenomenon and their relationships. The quantitative research designs are experimental, correlational or descriptive (survey) in nature (Creswell, 2008) and the statistics derived from quantitative research can be used to establish the existence of

associative or casual relationships between variables. It is often linked to the philosophical and theoretical stance of positivism.

Quantitative research is concerned with testing hypotheses derived from theory and/or being able to estimate the size of a phenomenon of interest. The quantitative data collection methods rely on random sampling and structural data collection instruments that fit diverse experiences into predetermined response categories. These methods produce results that are easy to summarize, compare and generalize.

Qualitative research on the other hand, seeks to understand human behaviour and the reasons that govern such behaviour. It asks a broad question and collects data in the forms of words, images and any other medium that is necessary and analyzed in search of themes. This research form aims to investigate a question without attempts to quantifiably measure variables or look to potential relationship between them.

Qualitative research is viewed as more restrictive in testing hypotheses because it can be expensive and time consuming and typically limited to a single set of research subjects. It is also often used as a method of exploratory research and as a basis for later quantitative research hypotheses. Qualitative research is linked with the philosophical and theoretical stance of social constructionism.

In either qualitative or quantitative research, the researcher may collect primary or secondary data. Primary data is data collected specifically for the research, while secondary data is data that already exists, which can be re – used for the research. It is ethical research practice to use secondary data whenever possible (Kara, 2012). Currently mixed – method research i.e. research that includes qualitative and quantitative elements using primary and secondary data is becoming common and is encouraged for better research output (Kara, 2012).

The principal differences between the two paradigms of research are explained by Taylor and Bogdan (1998) in Table 1 below.

Subject	Quantitative Research	Qualitative Research
Assumption about the World	Assumes that there are social facts with an objective reality apart from the beliefs of individuals.	Posits that reality is socially constructed through individual or collective definitions of the situation.
Purpose	Aims to explain the causes of changes in social fact, primarily through objective measurement and quantitative analysis.	Concerned with understanding the social phenomenon from the actors? perspective.
Approach	Commonly employs experimental or correlational designs to reduce error and bias that prevent a clear perception of social facts.	Assist the reader in understanding the definition of the situation of those studied.

Source: Taylor and Bogdan (1998)

Entrepreneurship is about creating value and the future prosperity of society. Thus research in entrepreneurship is about understanding the premises underlying the activities that create value and the future. This perspective defines essentially the research question in entrepreneurship globally and within a local context. Hence research in entrepreneurship is basically empirical research, in which the researchers are passionate about their scholarly work in and are convinced of the applicability and value of their work to improve the practice of entrepreneurship within society.

However, various factors affect the practice of research in entrepreneurship. Three major factors can be identified. The first is multidimensional perspective in understanding the concept of entrepreneurship, the second are the researchers in entrepreneurship who often times are not graduates of entrepreneurship and the third factor is the various entrepreneurship theories that have evolved over time in the scholarly literature about the subject.

The classical and neo-classical theorists have labored in trying to define entrepreneurship, but there is no single definition of Entrepreneurship. Various definition of entrepreneurship has been given depending on the focus of the one defining it and from the perspective one looks at. Some researchers look at entrepreneurship from the economic viewpoint, others from the sociological and psychological perspective, while other scholars define entrepreneurship from a management or social perspective. This makes entrepreneurship a multi-dimensional concept (Davidson, 2003 & Bula, 2012)

Empirical reality generally rubs off on scholars who research the field of entrepreneurship. In the process of conducting their research on the subject the scholars become so engrossed in their context and often become smitten with the enthusiasm of their research subject. This may be one of the reasons why the field apparently attracts newcomers in increasing numbers from many other fields. If we look at the background of most of the scholars who are today prominent in the field, few of these were actually graduates of entrepreneurship. This has given entrepreneurship its distinct multi- and trans-disciplinary characteristic.

It has also generated a field that has the methodological variation and scope needed to capture the dynamics and complexity of the empirical reality, a field that is also rich with insight from other research areas. However, this also means that there is no superior methodology per se for researching entrepreneurship – the methodological choice remains always to be decided in the light and context of the questions to be answered.

Historical perspectives have played a major role in the theoretical development of entrepreneurship since the development of the subject. However it was the classical and early neo classical theories in the 19th and 20th century that gave legitimacy to the notion of entrepreneurship research. But over time the historical and economic conceptualization of the entrepreneurial thoughts have led to new paradigms in the study of entrepreneurship as an economic and development tool for the advancement of society. This new paradigm has opened up the field of entrepreneurship to researchers from various disciplines and considerably broadens the subject within academic scholarship.

These three basic factors will form the concept and theoretical framework in examining the issues and current contemporary challenges in entrepreneurship research in Nigeria. The paper is divided into six sections; the first is the introduction and background, while the second section discusses the different approaches to the concept of entrepreneurship. Section three reviews the domain of entrepreneurship research and Section four discusses the issue of entrepreneurship development in Nigeria. Section five highlights the issues and challenges in entrepreneurship research in Nigeria, while section six concludes.

Definitions and Different Approaches to Entrepreneurs and Entrepreneurship

Entrepreneurship is a multi-faced phenomenon, which comprehends both the start-up of new companies (start-up entrepreneurship) as well as the carrying out of new strategic initiatives within existing business (corporate entrepreneurship).

According to Van Praag (1999), Richard Cantillon was the first economist to acknowledge the entrepreneur as a key economic factor (Cantillon, 1959). Cantillon saw the entrepreneur as

responsible for all exchange and circulation in the economy. As opposed to wage workers and land owners who both receive a certain or fixed income/rent, the entrepreneur earns an uncertain profit (Hebert and Link, 1988). Cantillon's entrepreneur is an individual that equilibrates supply and demand in the economy and in this function bears risk or uncertainty.

Say (1767-1832) provided a different interpretation of the entrepreneurial task. He regarded the entrepreneur as a manager of a firm; an input in the production process. (Say, 2001). Say saw the entrepreneur as the main agent of production in the economy. Rather than emphasizing the risk-bearing role of the entrepreneur, Say stressed that the entrepreneur's principle quality is to have good judgment (Hebert & Link, 1988, p. 38).

Alfred Marshall also devoted attention to the entrepreneur. In addition to the risk bearing and management aspects emphasized by Cantillon and Say, Marshall introduced an innovating function of the entrepreneur by emphasizing that the entrepreneur continuously seeks opportunities to minimize costs (Marshall, 1964). An entrepreneur can fulfill different functions (Fiet, 1996). Other researchers distinguish between the supply of financial capital, innovation, allocation of resources among alternative uses and decision-making as functions of an entrepreneur. They use the following definition of an entrepreneur which encompasses the various functions: "the entrepreneur is someone who specializes in taking responsibility for and making judgmental decisions that affect the location, form, and the use of goods, resources or institutions" (Hébert and Link, 1989; Wennekers and Thurik (1999)).

Schumpeter defines entrepreneurship from the economics perspective by focusing on the perception of new economic opportunities and the subsequent introduction of new ideas in the market. Entrepreneurs identify opportunities, assemble required resources, implement a practical action plan, and harvest the reward in a timely, flexible way (Sahlman and Stevenson 1991). Those in the management world may apply Schumpeter's definition: entrepreneurship is a way of managing that involves pursuing opportunity without regard to the resources currently controlled.

Mill (1848) focused his definition of the entrepreneur on risk bearing as the differentiating factor between entrepreneurs and managers. For him the entrepreneur is one who undertakes to organize, manage and assume the risks of a business. He saw the entrepreneur as an innovator or developer who recognizes and seizes opportunities, converts those opportunities into workable/marketable ideas, adds value through time, effort, money or skills, assumes the risks of the competitive marketplace to implement these ideas, and realizes the rewards from these efforts.

The necessity of entrepreneurship for production was first formally recognized by Alfred Marshall in 1890. In his famous treatise "Principles of Economics", Marshall asserts that there are four factors of production: land, labor, capital, and organization. Organization is the coordinating factor, which brings the other factors together, and Marshall believed that entrepreneurship is the driving element behind organization. By creatively organizing, entrepreneurs create new commodities or improve "the plan of producing an old commodity" (Marshall, 1994). In order to do this, Marshall believed that entrepreneurs must have a thorough understanding about their industries, and they must be natural leaders. Additionally, Marshall's entrepreneurs must have the ability to foresee changes in supply and demand and be willing to act on such risky forecasts in the absence of complete information (Marshall, 1994).

Mises(1949) looks at entrepreneurship from the point of view of the particular outcome which the actor aims at. Action seeks to change the future. Entrepreneurship is the comparison of the forecasted future state of the world which the actor expects to occur in the absence of his specific action with the newly-made and previously-unnoticed or unforeseen forecasted future state of the world which the actor expects to result from his specific action, and the taking of the specific action by the entrepreneur to achieve his preferred future state of the world.

Entrepreneurship consists in the creation of a previously-unperceived opportunity for profit and the alertness to that previously untapped opportunity, and then the taking of action to achieve the opportunity. Mises solved the entrepreneurial task by introducing human action. Besides the agents attempt to calculate economic problems, they are also alert to opportunities. Once an economic agent recognizes a market opportunity, he acts on it to improve his position. Opportunities are abundant in a situation of disequilibrium and there is the ability of human action to every economic agent.

Furthermore, Mises (1949) emphasis the entrepreneurial spirit, human capital and venture capital as the entrepreneur's individual endowment which can be used to act towards establishing a business venture. The entrepreneurial component can be thought of as the residual of the agent's (entrepreneur's) individual endowment which withdraws itself from empirical measurability.

Theodor W. Schultz (1971) and Becker (1993) examined entrepreneurs and entrepreneurship from the the human capital approach, and insist that the driving motive for entrepreneurship is expected material and financial reward as the prime motive for entrepreneurial activities. If an individual expects the returns of going entrepreneurial will be higher than being an employee, they will decide they will decide to become an entrepreneur.

For Schumpeter, the entrepreneur was an innovator par excellence and in his book “The Theory of Economic Development”, he presented three typologies around the theory of entrepreneurship (Schumpeter, 1934; Gross, 2005). The first theory identifies the main type of entrepreneurial behaviour as introducing a new good, new method of production, opening a new market, conquering a new source of raw materials, and reorganizing an industry in a new way. The second theory deals with three forms of entrepreneurial motivation, the desire to found a private kingdom or dynasty, the will to win, to fight and conquer; and the joy and satisfaction that comes from creation and problem solving.

The third and final typology concerns the factors that inhibit the expression of entrepreneurial action. There is firstly, the nature of innovative task; because it is new, it will be more difficult to plan and understand than well established and customary activities. Second there is the inertia that “lies in the psyche of the individuals themselves: the human tendency to resist change from accustomed, routine and habitual ways of acting, even if a better alternative is available. Finally there is the fear of social sanctioning: the condemnation and disapproval heaped upon iconoclasts and deviants. To overcome these inhibitions, contends Schumpeter, an individual needs unusually strong will and great “personal weight”.

In the 1960s, David McClelland developed his three factor theory of motivation. His research was built on Schumpeter and was based on how to train individuals to be more achievement oriented and entrepreneurial. Based on his research findings (McClelland, 1987) on cross – cultural competences and examined traits of successful entrepreneurs regardless of country and type of business; He reported three groups of competencies common to all entrepreneurs (Table 2). These are: the entrepreneurs seem more proactive; they show several characteristics of previously identified achievement motivation, and they show a commitment to others stressing the importance of customer satisfaction.

Gartner (1990) in his article “What are we talking about when we talk about Entrepreneurship?” attempted to lay the foundation to define entrepreneurship and also to discern what the body of knowledge believed constituted entrepreneurship at the time. Using a Delphi technique, Gartner segmented responses into the following attributes: Activities associated with becoming an owner – manager of a firm; Creation of a new Business; Innovative; Purchasing an existing business; Starting an innovative venture within an established organization; Creation of a non – profit business and Creation of a government organization.

Table 2: McClelland Cross Cultural Competencies

Proactivity	
1. Initiative	Does things before being asked or forced to, by events.
2. Assertiveness	Confronts problems with others directly. Tells others what they have to do.
Achievement Orientation	
3. Sees and acts on opportunities	Seizes unusual opportunities, obtains financing, land, work, space, or assistance.
4. Efficiency orientation	Looks for or finds ways to do things faster or at less cost.
5. Concern for high quality of work	States a desire to produce or sell a top or better quality product or service.
6. Systematic Planning	Breaks a large task down into subtasks, or sub goals, anticipates obstacles, and evaluates alternatives.
7. Monitoring	Develops or uses procedures to ensure that work is completed or that work meets standards of quality.
Commitment to Others	
8. Commitment to work contract	Makes a personal sacrifice or expends extraordinary effort to complete a job, pitches in with workers or works in their place to get the job done.
9. Recognizing the importance of business relationships	Acts to build rapport or friendly relationships with customers sees interpersonal relationships as a fundamental business resource, places long-term goal over short-term gain.

Solomon and Winslow developed a working definition of entrepreneurs as “an innovative person who creates something unique with value(added) by devoting time and effort, assuming the financial, psychological and social risks in an action oriented perspective and receiving the resulting rewards (and punishments) of monetary and personal satisfaction” (Solomon and Winslow, 1988).

Babson College defines entrepreneurship as “a way of thinking and acting that is opportunity obsessed, holistic in approach and leadership balanced ... regardless of the resource currently available and acting on (the) opportunity for the purpose of wealth creation in the private, public and global sectors” (Solomon, 2008)

Since the time of Marshall, the concept of entrepreneurship has continued to undergo theoretical evolution. For example, whereas Marshall believed entrepreneurship was simply

the driving force behind organization, many economists today, but certainly not all, believe that entrepreneurship is by itself the fourth factor of production that coordinates the other three (Arnold, 1996). Unfortunately, although many economists agree that entrepreneurship is necessary for economic growth, they continue to debate over the actual role that entrepreneurs play in generating economic growth. One school of thought on entrepreneurship suggests that the role of the entrepreneur is that of a risk-bearer in the face of uncertainty and imperfect information. Knight claims that an entrepreneur will be willing to bear the risk of a new venture if he believes that there is a significant chance for profit (Swoboda, 1983).

Although many current theories on entrepreneurship agree that there is an inherent component of risk, the risk-bearer theory alone cannot explain why some individuals become entrepreneurs while others do not. For example, following from Knight, Mises claims any person who bears the risk of losses or any type of uncertainty could be called an entrepreneur under this narrow-definition of the entrepreneur as the risk-bearer (Swoboda, 1983). Thus, in order to build a development model of entrepreneurship it is necessary to look at some of the other characteristics that help explain why some people are entrepreneurs; risk may be a factor, but it is not the only one.

Another modern school of thought claims that the role of the entrepreneur is that of an innovator; however, the definition of innovation is still widely debatable. Kirzner suggests that the process of innovation is actually that of spontaneous "undeliberate learning" (Kirzner, 1985). Thus, the necessary characteristic of the entrepreneur is alertness, and no intrinsic skills-other than that of recognizing opportunities-are necessary. Other economists in the innovation school side more with Mill and Marshall than with Kirzner; they claim that entrepreneurs have special skills that enable them to participate in the process of innovation.

Along this line, Leibenstein claims that the dominant, necessary characteristic of entrepreneurs is that they are gap-fillers: they have the ability to perceive where the market fails and to develop new goods or processes that the market demands but which are not currently being supplied. Thus, Leibenstein posits that entrepreneurs have the special ability to connect different markets and make up for market failures and deficiencies. Additionally, drawing from the early theories of Say and Cantillon, Leibenstein suggests that entrepreneurs have the ability to combine various inputs into new innovations in order to satisfy unfulfilled market demand (Leibenstein, 1995).

Although many economists accept the idea that entrepreneurs are innovators, it can be difficult to apply this theory of entrepreneurship to developing countries. Often in

developing countries, entrepreneurs are not truly innovators in the traditional sense of the word. For example, entrepreneurs in developing countries rarely produce brand new products; rather, they imitate the products and production processes that have been invented elsewhere in the world (typically in developed countries). This process, which occurs in developed countries as well, is called "creative imitation" (Drucker, 1985).

Creative imitation takes place when the imitators better understand how an innovation can be applied, used, or sold in their particular market niche (namely their own countries) than do the people who actually created or discovered the original innovation. Thus, the innovation process in developing countries is often that of imitating and adapting, instead of the traditional notion of new product or process discovery and development.

As the above discussion demonstrates, throughout the evolution of entrepreneurship theory, different scholars have posited different characteristics that they believe are common among most entrepreneurs. By combining the above disparate theories, a generalized set of entrepreneurship qualities can be developed. In general, entrepreneurs are risk-bearers, coordinators and organizers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, it can help explain why some people become entrepreneurs while others do not. Thus, by encouraging these qualities and abilities, governments can theoretically alter their country's supply of domestic entrepreneurship.

In summary, from Schumpeter till date, there is a dearth of definitions, characteristics, competencies and behaviors that many believe describe the entrepreneur and the concept of entrepreneurship. However taking an overview of the definitions, one can view entrepreneurship as a term used to describe the creation, innovation, risk taking and organizational process and functions of individuals who run and nurture business ventures.

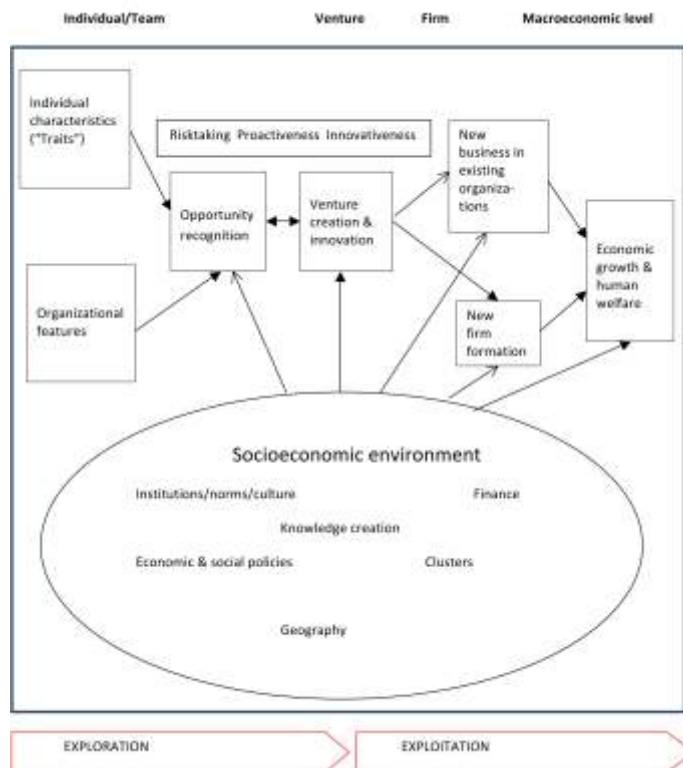
Also, from the foregoing the common features and functions of entrepreneurs can be summarized as:

1. Recognition of business opportunities.
2. Initiating ideas and actions.
3. Using economic, managerial, social and technical mechanisms in converting, improving and organizing resources.
4. Innovation and creating something new and of value.
5. Risk taking and tolerance for failure.

The Domain of Entrepreneurship Research

According to the work of Carlsson et al, 2012, the domain of entrepreneurship research encompasses numerous activities (functions) carried out by individuals and/or organizations resulting in new business in either new or existing organizations ultimately yielding economic and/or social benefits in the form of economic growth and improved human welfare (Figure 1).

Figure 1: The Domain of Entrepreneurship Research



The activities involve risk-taking, pro-activeness, and innovativeness. The analysis can be carried out at various levels (individual or team level, venture and firm level, and macroeconomic level). The socioeconomic environment consisting of institutions, norms, and culture as well as availability of finance, knowledge creation in the surrounding society, economic and social policies, the presence of industry clusters, and geographic parameters, may influence entrepreneurial activities at all levels.

The left side of Figure 1 represents the explorative side of entrepreneurship: the role and characteristics of individuals and teams (organizations). The result of these activities is opportunity recognition, innovation and venture creation. On the right side, venture creation can take the form of creation of new organizations or of new activities in existing organizations.

The aggregate outcomes in the form of economic growth and human welfare are represented on the far right side. All the activities and outcomes are influenced by one or more dimensions of the socioeconomic environment, including institutions/norms/culture, knowledge creation finance, economic and social policies, clusters, and geography. Moving to the middle of Figure 1 where explorative entrepreneurial activities lead to the creation of new firms and new activities in existing organizations, the focus shifts from the characteristics and behavior of the entrepreneur to the function of entrepreneurship.

The fact that entrepreneurship activities are viewed from multiple disciplinary perspectives and at various levels of analysis using a variety of methods, make it difficult to define the boundaries of the domain. Besides economics, there is a growing body of research in politics, the social sciences, engineering and other disciplines (Casson, 1982; Ac & Andretsch, 2003). Thus entrepreneurship can be seen as a subfield within several disciplines, each with its own perspective on the subject matter.

This has resulted in a lack of a common theoretical framework or central research paradigm. But the domain of entrepreneurship research may also be viewed as a system that interacts with other parts of the economic system as a whole.

Historical Development of Entrepreneurship Research

Entrepreneurship research is relatively new as an academic field but has a long tradition which dates back to the middle ages in Europe (Landstrom, 1999, 2000, 2005). Early research work on entrepreneurship was pioneered by Joseph Schumpeter, who viewed entrepreneurship from a purely personal or individual perspective; however this perspective gradually changed from entrepreneurship as the achievement of a single individual to innovative activities in existing organizations (Schumpeter, 1942).

The Second World War and the aftermath of the new economic order that brought the United States of America (USA) into world prominence drastically affected entrepreneurship research. It was a period marked by large scale manufacturing and investment in new technology, and production systems. This brought about large scale commercialization not of new firms but consolidation of existing firms. This situation led to a drastic reduction in

entrepreneurial activities leading to a situation in which practice overtook theory of entrepreneurship (Carlsson et al, 2010).

During this period and considering the prevailing circumstances it was understandable that there was not much progress in entrepreneurship research which led to practice overtaking theory leading to entrepreneurship entering into the study of management before it penetrated into economic analysis.

The first course in entrepreneurship was offered at the Harvard Business School in 1947. Peter Drucker started a course in entrepreneurship and innovation at New York University in 1953. The first conference on small business and their problems was held at the University of St. Gallen in Switzerland in 1948. The National Council for small Business Management Development (renamed the International Council for Small Business ICSB, in 1977) held its first conference in 1956. The first academic conference on entrepreneurship research took place at Purdue University in 1970. The Entrepreneurship Division of the academy of Management was established in 1987; it grew out of an interest group on entrepreneurship formed in 1974. The Babson Research conference was started in 1981 (Cooper, 2003). Hence, there was much interest in entrepreneurship in practice, even if not a central idea in economic theory.

The 1980s and 1990s represented another shift in the focus of entrepreneurship research , because it coincided with several institutional reforms globally due principally to the two twin oil crisis of the 1970s. This global crisis triggered off a re – appraisal of the role of small firms. Many large companies were hit by severe economic difficulties and were seen as inflexible and slow to adjust to new market conditions (Carlsson et al, 1989a and b).

This led to a renewed interest in small firms during the period and this was due to two major factors. The first was the fundamental change in the world economy related to intensification of global competition, the resulting increase in uncertainty, and greater market fragmentation. The second factor was the changes in the characteristics of technological progress giving large firms less of an advantage (Carlsson, 1992).

This new interest in small firms and entrepreneurship research also led to the advent of new journals in the field including the Journal of Small Business in 1975 (renamed Entrepreneurship theory and Practice in 1988); Journal of Business Venturing (1985); Small Business Economics (1989), Small Business Strategy (1990); Family Business Review (1988) (Cooper, 2003). The explosion in the number of entrepreneurship oriented journals in the 1980s and 1990s reflected the dramatic increase in entrepreneurial activity that took place at

that time (Gartner & Shane, 1995; Carlsson et al, 2009). However it must be understood that during this period the distinction between entrepreneurship and small business was very blurred and the two terms were used interchangeable.

Also during this period, there was renewed interest and scholarly work on the personal characteristics ('traits') of entrepreneurs as well as the success and failure of individual entrepreneurs and firms, primarily as a result of researches based in psychology and sociology.

From the 1990s and 2000s upwards, research in entrepreneurship focused on new areas such as entrepreneurship theory, methodological issues, entrepreneurship opportunity recognition and information search, finance for entrepreneurs, entrepreneurial careers, types of entrepreneurs, environment for venture creation and development, venture growth and performance, organizational closure, internationalization, corporate ventures, family firms, technology based firms and franchising (Westhead&Wright, 2000); Shane, 2002, Ac &Audretsch, 2003; Welsch, 2004; Audretsch, Falick, Heblick&Lederer, 2011).

Thus currently there seem to be two main views of entrepreneurship research; one view is that entrepreneurship research should focus on new enterprises and its role in futhering economic process – the exploitation side (Ac &Audretsch, 2003; low and Macmilliam, 1988). Another view is that the field of entrepreneurship should be concerned with the discovery and exploitation of entrepreneurship opportunities, the individuals involved, and the modes of action used to exploit the opportunities – the explorative side (Shane and Venkataremain, 2000; Ac et al, 2009).

These views are compatible in that they focus on the creation of new economic activity but at different levels of aggregation. The explorative side is more micro (firm) oriented, while the exploitation side looks more at the aggregate outcome (macro).

The field of entrepreneurship currently seems to be in the process of being refocused involving both broadening and narrowing down. The explorative side seems to be broadened away from the narrow focus on stable characteristics of individuals who start and run independent businesses. On the exploitative side it is increasingly being emphasized that study of small businesses, family firms, internal venturing etc. deal with entrepreneurship only if they explicitly address new ventures i.e. discovery and exploitation of opportunities in these organizational context (Davidsson et al, 2001).

Entrepreneurship Development in Nigeria

Entrepreneurship development (ED) refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes. ED aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development.

Entrepreneurship development focuses on the individual who wishes to start or expand a business. Small and medium enterprise (SME) development, on the other hand, focuses on developing the enterprise, whether or not it employs or is led by individuals who can be considered entrepreneurial.

Furthermore, entrepreneurship development concentrates more on growth potential and innovation than SME development does. There is a pervasive tendency to equate entrepreneurship development (ED) with self-employment. Many self-employed individuals are indeed entrepreneurs, but the majorities are not. Their businesses are simply microenterprises in the informal sector, with little growth potential.

The promotion of self-employment is a worthwhile objective, but it should not be confused with ED. Entrepreneurship development programmes that in reality focus only on self-employment are less likely to succeed in creating economic growth. In Nigeria, Entrepreneurial forces are relatively strong, as the lack of jobs and a rise in poverty leave few other options for the Nigerian people. Thus Entrepreneurship activity in Nigeria is primarily based on necessity.

Although Entrepreneurship in Nigeria is difficult due to a lack of resources, there are organizations, groups and the academia that are actively involved in the promotion and teaching of entrepreneurship at all levels in the Nigerian educational system. Also government at both the national, state and local levels are actively involved in promoting entrepreneurial activities primarily as a measure to reduce rising unemployment and the inability to provide jobs in the public sector.

Entrepreneurship is conducive to economic growth and the creation of employment. And Government programmes and policies have a significant impact on the level of entrepreneurship within a country. While many governments profess support for entrepreneurial businesses, they often lack specific policies and coordinated programmes designed to support entrepreneurial activity.

In 2012, the Global entrepreneurship monitor (GEM) identified Nigeria as one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians are engaged in some kind of entrepreneurial activity or the other. Countries with better records than Nigeria in sub – Saharan Africa are Malawi (36%), Uganda (36%), Ghana (37%) and Zambia (41%). This is shown in Table 3 below.

Also in 2012, according to the GEM report, Nigeria led the whole world in terms of the desire to explore available opportunities for starting a business and for possessing the self-confidence to start one. The survey shows that Nigerians have high perceptions about the presence of good opportunities for starting a business and also believe that they have the skills and knowledge necessary to start a business.

The study confirms that more Nigerians pursue entrepreneurial activity due to perceived opportunities than out of necessity. Nigeria also exhibited one of the lowest levels of fear of failure in the world indicating the readiness to start and run a business without fear of failure.

It is interesting to note that Nigerian youths are excited about entrepreneurship and entrepreneurial opportunities. About 82% of Nigerian youths perceive a good opportunity for starting a business while 86% believe that they have the skills and knowledge necessary to start a business.

Table 3: Entrepreneurial activities | Nigeria compared to other Countries

Countries	Perceived opportunities (%)	Perceived capabilities (%)	Fear of Failure (%)	Entrepreneurial Intentions (%)
Nigeria	82	88	21	44
Average for Sub Saharan Countries	70	76	24	53
Taiwan	39	26	38	25
Malaysia	36	31	36	13
Average for Asian Countries	30	32	41	17

Source: GEM (2012)

This classification is based on GDP per capital and the share of exports comprising primary goods. Based on this classification, Nigeria is described as a factor – driven economy dominated by subsistence agriculture and extractive industries with heavy reliance on

labour and natural resources with its attendance implications. It may therefore be that entrepreneurial activity is high because of the level of development

This situation makes it imperative for government at all levels to embrace the development of an Entrepreneurship Policy Framework (EPF) to develop entrepreneurship and entrepreneurship research in Nigeria. The EPF has become important because the private sector development has become an important part of development policy.

The EPF developed by United Nations Conference on Trade and Development (UNCTAD) is, therefore, a timely contribution as it aims

1. To assist policymakers in identifying the key elements of an entrepreneurship policy and formulating actions.
2. It also provides policy options that will help developing countries and countries in transition to stimulate inclusive and sustainable growth

The framework recognizes that in designing entrepreneurship policy “one size does not fit all”. It highlights the key policy areas to take into account and suggests policy objectives and options in the form of recommended actions in each area. Although the national economic and social context and the specific development challenges faced by a country will largely determine the overall approach to entrepreneurship development. UNCTAD has identified six priority areas for policy focus that have a direct impact on entrepreneurial activity. These are:

- (1) formulating national entrepreneurship strategy;
- (2) optimizing the regulatory environment;
- (3) enhancing entrepreneurship education and skills;
- (4) Facilitating technology exchange and innovation;
- (5) Improving access to finance; and
- (6) promoting awareness and networking (see figure 2)

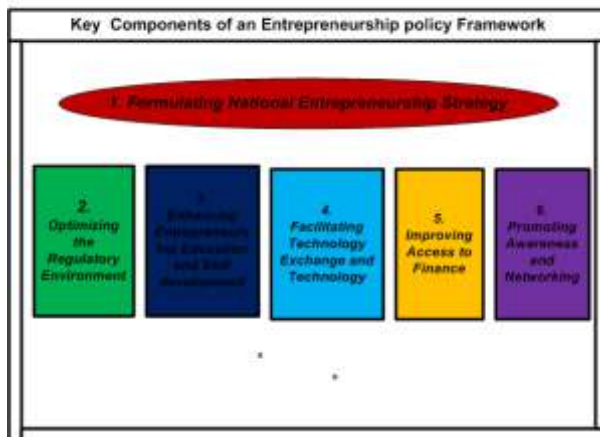


Figure 2: UNCTAD Key Entrepreneurship Policy Framework

The UNCTAD framework also highlighted and identified the following recommendations In developing an National Entrepreneurship Strategy (NES): These are:

1. Identify country – specific challenges.
2. Specify goals and set priorities.
3. Ensure coherence of entrepreneurship strategy with other national policies.
4. Strengthen the institutional framework
5. Measure results, ensure policy learning

Issues and Challenges of Entrepreneurship Research in Nigeria

From the foregoing it is obvious that entrepreneurship research in Nigeria must look inwards and do a thorough analysis of economic history in Nigeria if the fruits and outcome of our research efforts will make any impart in society.

Entrepreneurial researchers must be involved in result oriented research that will lead to setting out a proper agenda for developing a national strategy for entrepreneurship development in the country. This means academic research in entrepreneurship must move away from the current obsession with the issues of entrepreneurship education and do more in providing more evident based parameters to assist persons who wish to be part of the exploitative and exploratory aspects of entrepreneurship. Researchers in entrepreneurship must also come to terms with the fact that entrepreneurship has become an academic field of research with a global outlook and encompassing all other fields of knowledge.

Finally, research in entrepreneurship will further economic growth for the nation if its frontiers are taken out of its present pervasive state by providing concrete and concise information for policy makers and players in the economy.

References

- Acs, Zoltan J. and Audretsch, David B., 2003. "Introduction to the Handbook of Entrepreneurship Research" in Acs&Audretsch (eds.), Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction. Boston: Kluwer Academic Publishers,3-20.
- Acs, Z. J., Braunerhjelm, P., Audretsch, D.B., &Carlsson, B., 2009. "The Knowledge Spillover Theory of Entrepreneurship,"SmallBusinessEconomics, 32 (1), 15-- 30.
- Acs, Z. I and Carlsson, B. and Karlsson, K. (1999, eds.). Entrepreneurship, Small and Medium sized firms and the Macroeconomy. Cambridge: Cambridge University Press.
- Bula (2012a) Performance of women Entrepreneurs in Small Scale Enterprises (SSEs): Marital and Family Characteristics.iiste publication Vol. 4 No. 7 of 2012.
- Cooper, A. C. 2003. Entrepreneurship: The past, the present, the future. In Z. J. Acs& D. B. Audretsch(Eds.), Handbook of entrepreneurship research:21–34. London: Kluwer Academic Publishers.
- Davidsson, P. 2003. The domain of entrepreneurship research: Some suggestions. In J. Katz & D. Shepherd (Eds.), Advances in entrepreneurship, firm emergenceand growth, vol. 6: 315–372. London: JAI.
- Davidsson, P. 2004. Researching entrepreneurship.Boston: Springer Science & Business Media.
- Davidsson, P., &Wiklund, J. 2001. Levels of analysis in entrepreneurship research: Current research practice and suggestions for the future. EntrepreneurshipTheory and Practice, 26(4): 81–99.
- Carlsson, Bo, 1989b. "Flexibility and the Theory of the Firm," InternationalJournalofIndustrialOrganization, 7 (2), 179-203.
- Carlsson, Bo, 1992. "The Rise of Small Business: Causes and Consequences," in W.J. Adams (ed.), Singular Europe: Economy and Polity of the European Community after 1992 (Ann Arbor, MI: University of Michigan Press, 1992), pp. 145-169.

- Carlsson, Bo, Acs, Z.J., Audretsch, D.B. and Braunerhjelm, P., 2009. "Knowledge Creation, Entrepreneurship, and Economic Growth: A Historical Review," *Industrial and Corporate Change*, 18(6), 2009, 1193-1229.
- Casson, Mark, 1982. *The Entrepreneur: An Economic Theory*. Totowa, NJ: Barnes & Noble Books.
- Casson, Mark (ed.), 1990. *Entrepreneurship*. Cheltenham: Elgar.
- Drucker, Peter F., (1985) *Innovation and Entrepreneurship: Practices and Principles*, New York: Harper & Row, Publishers, 220-225
- Gartner, W. B. 1990. What are we talking about when we talk about entrepreneurship? *Journal of Business Venturing*, 5: 15–28.
- Gross, D. (2005) "Schumpeter's Legacy? Interaction and Emotions in the Sociology of Entrepreneurship" *Entrepreneurship Theory and Practice*, Volume 29, Issue 2, pp 205-218
- Low, M. B., & MacMillan, I. C. 1988. Entrepreneurship: Past research and future challenges. *Journal of Management*, 14: 139–161.
- Schumpeter, J. A. 1934. *The theory of economic development*. Cambridge, MA: Harvard University Press.
- Acs, Zoltan J., and Audretsch, David B. (eds.) (2003). *Handbook of Entrepreneurship Research*. Boston: Kluwer. Arnold (2003). "Entrepreneurship: The Past, the Present, the Future," in Zoltan J. Acs and David Audretsch (eds.), *Handbook of Entrepreneurship Research*. Boston: Kluwer.
- Leibenstein, Harvey (1995), "The Supply of Entrepreneurship," *Leading Issues in Economic Development*, New York: Oxford University Press, 1995, 273-275
- Schumpeter, Joseph A., *Essays of J.A. Schumpeter*, Cambridge, MA: Addison Wesley Press, Inc., 1951, 248-250.
- Gartner, William B. and Shane, Scott A., 1995. "Measuring Entrepreneurship over Time," *Journal of Business Venturing*, 10, 283-- 301.

- Schumpeter, J. A. (1942). *Capitalism, Socialism and Democracy*. New York: Harper & Row
- Solomon, G. T. and E. K. Winslow (1988). "Toward a descriptive profile of the entrepreneur." *Journal of Creative Behavior* 22(3): 162-171.
- Fiet, J. O. (2002). *The search for Entrepreneurial Discoveries*. Westport, CT.: Quorum Books.
- Solomon, G.T. (2008) Are we teaching small business techniques to Entrepreneurs and Entrepreneurship to small business managers. USASBE white paper series
- Swoboda, Peter, "Schumpeter's Entrepreneur in Modern Economic Theory," *Lectures on Schumpeterian Economics*, New York: Springer-Verlag, 1983, 17-25.
- Low, Murray, and Ian C. MacMillan (1988). "Entrepreneurship: Past Research and Future Challenges," *Journal of Management* 14: 139-161.
- McClelland, David and D.G. Winter (1971). *Motivating Economic Achievement*. New York: Free Press. McDougall, Patricia, and Benjamin Oviatt (2000). "International Entrepreneurship: The Intersection of Two Research Paths," *Academy of Management Journal* 43: 902-908. Mill, J, S (1848) *Principles of Political Economy*. London: Longmans, Green and Co., bk. 2, chap. 15, p. 4.
- Mises, L. (1959). *Human Action*. London: William Hodge. Mises, L.V. (1949), *Human Action*, New Haven: Yale University Press.
- Shane, S. and Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.
- Shane, S. and Venkataraman, S. (2001). Entrepreneurship as a field of research: a response to Zahra and Dess, Singh, and Erikson. *Academy of Management Review*, 26(1), 13-16.
- Hébert, Robert F. and Link, Albert N., 1989. "In Search of the Meaning of Entrepreneurship," *Small Business Economics*, 1 (1), 39-49.
- Kirzner, Israel, 1985. *Discovery and the Capitalist Process*. Chicago: University of Chicago Press

- Landström, Hans, 1999. "The Roots of Entrepreneurship Research. The Intellectual Development of a Research Field," *New England Journal of Entrepreneurship*, 1 (2), 9-20.
- Landström, Hans, 2000. *Entreprenörskapets rotter [The Roots of Entrepreneurship]*. Lund: Studentlitteratur.
- Landström, Hans, 2005. *Pioneers in Entrepreneurship and Small Business Research*. New York: Springer.
- Wennekers, S. & Thurik, Roy, 1999. "Linking Entrepreneurship and Economic Growth," *Small Business Economics*, 13 (1), 27-55.

3

Nigeria Entrepreneurial Environment

Ayedun, T. A

Department of Entrepreneurship
School of Management Technology,
Federal University of Technology, Akure

Introduction

The environment in which all organisations operates, whether they are commercial, corporate organisations, governments, public sectors or charity organisations is never static, never entirely predictable and has the capacity to influence the market in which the organisation operates. The environment is the major means of survival for entrepreneurial business and it creates opportunities and present threats. Most business entrepreneurs do carry out feasibility studies in order to effectively understand their business environment. Although, the future can never be predicted perfectly, it is clearly important that entrepreneurs and managers try to analyse their business environment carefully in order to anticipate and if possible influence environmental changes. The business environment has a great influence on the operations and the performance of enterprise in wide perspective and Small and Medium Enterprise (SMEs) in particular. The SMEs play a significant role in the development of economies in the world through their contributions to Gross Domestic Products (GDP), income generation and poverty reduction through their positive contribution to employment rate which are critical factors in achieving sustainable growth.

Overview of the Nigeria Business Environment

In contemporary Nigerian entrepreneurial environment, performance of Nigerian enterprises (Micro, Small and Medium) is predicated on factors such as low-sales, high cost of production, low capital utilisation, lack of foreign exchange to source needed inputs, poor power supply, and low quality of goods and services, among others. These issues have led to lack of proper integration and coordination of various corporate subsystems in Nigerian organisations, resulting in the failure to achieve the stated goals and objectives.

Currently, business environment is perceived to have been rarely exceeded in complexity, turbulence and rapid in change, all Nigerian organisations (large or small) must pay greater attention than ever before to their environments when formulating and implementing policies and strategies in order to survive and grow.

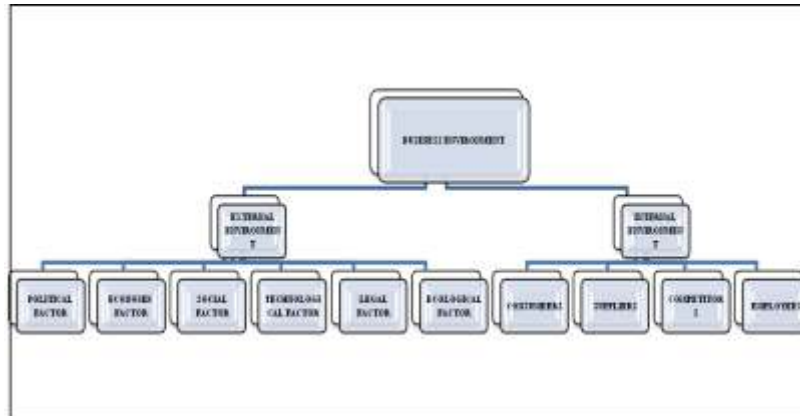
Business Environment: This includes the surroundings within and outside in which the business operates. It determines the survival the business (in forms of opportunities and threats). The business environment deals with how the organisation operates and its capacity to influence its markets.

Types of Business Environment

The environment changes and continues to change in response to a variety of factors that is the (external environment) which consist of the political, social, and technological influence and the (internal environment) which is concerned with the resource, processes and objectives the organisation uses to achieve its goals which consist of the competitors, suppliers and indirect service providers. These two environments which are the external and internal environment are also known as the macro and micro environment.

The external environment commonly referred to as macro –environment consist of political, economic, social , technological influences and the organisation have relative little influence on each of this. The PESTEL (Political, Economic, Social, Technological, Environmental and Legal) framework is adopted to analyse the micro-environment which provides the broad data from which to identify the key drivers of change. The performance environment consists of the competitors, suppliers and indirect service providers who shape the way an organisation achieves its objectives and the organisations have a much stronger level of influence. While the internal environment is concern with the resources processes and policies an organisation manages in order to achieve its pre-determined goals and the organisation has direct influence on these elements. The business environment is best understood by considering the degree to which an organisation can influence the various forces action on it. The environment is categorised into external (macro- environment), performance environment and internal environment.

Figure 1: Types of Business Environment



However, limited knowledge of the business environment by the entrepreneur is one of the major features which can retard enterprising behaviour, firm survival and development. With regards to the business environment, entrepreneurs generally perceive the following constraints on business growth and development;

- i) A business environment hostile to smaller enterprises.
- ii) Have no influence on credit/discounts with supplies.
- iii) Have no or little credibility with financial institutions.
- iv) Believe they are overwhelmed by government regulation, legislation, and policies.
- v) Are unaware of most direct (and indirect) government assistance to support smaller enterprises.
- vi) Reluctant to use (and pay) for professional external private and/ public sector advice and support.

The entrepreneur and Smaller enterprise owners typically blame mistake on events in the external environment rather than mistakes made by themselves. Some owners of smaller enterprises are reluctant to admit mistakes and to from their mistakes. To minimize their exposure to risk in the external environment, many of the entrepreneurs focus on business survival, independence and/ lifestyle rather than the pursuit of rapid business growth, which can involve higher risk exposure as well as more resources and knowledge to be invested by the entrepreneur. Consequently, many surviving small entrepreneurs remain whilst smaller entrepreneur are associated with numerous advantage which can be leveraged to ensure competitive advantage, they are also generally associated with several disadvantages relating to firms structure, management and control, operational products, resources, strategic planning, the market and the business environment.

Environmental Scanning– Environmental scanning is the process of gathering information about a company external events and relationships, in order to assist top management in its decision making and so develop its future course of action. Information are gather in environmental scanning exercise using company reports, newspaper, industry reports and magazines, and marketing intelligence reports. To understand how the elements in the external environment are changing it is necessary for the organisation to put in place methods and processes to inform them about the development, which can be gotten through environmental scanning.

Market Business Environment

The market business environment consists of both the internal and the external environment (macro- environment) with private and corporate institutions such as banking section, insurance sector, stock exchange market, pension administrators constituting the major players. The major objectives of the players in the market business environment are maximization of profit and minimization of cost. The market environment is a competitive one and the organisations in the market put in all their best effectively and efficiently in meeting customers' expectations in terms of provision of goods and services at the right time. However, their activities are being regulated by the Government established institution. For example, the Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Commission (NDIC) regulate and monitor the operations of commercial banks. In order to effectively analyse the market environment, PESTEL framework will be employed which categorises environmental influences into six main types namely:

- i) Political
- ii) Economic
- iii) Socio-cultural
- iv) Technological
- v) Environmental
- vi) Legal

(a) Political Environment

The enterprise or organisation political environment is a major subject of consideration when conducting environmental scanning. The political environment relates to the period of interaction between business, society and government before laws are enacted (Baines 2011). Political environmental analysis is a critical phase in business environment because enterprise can then detect potential, legal and regulatory in their industries and therefore have a chance to impede influence and alter the legislation. Sometimes, business enterprises have to lobby the government in order to have favourable polices as regards their business industry. In returns, the corporate social responsibility of the business organisation to the

members of the societies and communities in which they operates is uttermost important. However, there some factors that affect the conducive political environment for the business enterprise such as power change, unfavourable government policies, industrial actions, high tax regime.

(b) Economic Environment

There is need for business enterprise to have an understanding of the economic environment in which they operate as a result of the direct impact of the country's economic circumstances have on the activities of the organisations. Some of the factors involved in the economic environment are: price inflation, exchange rate, Gross Domestic Product per capita, income distribution, sales and corporate taxes, export quota controls and duties, interest rates, employment level per capita, real estate prices, financial institution restraints/constraints on various industry sectors.

(c) Socio-Cultural

Business enterprise needs to pay attention and recognise changes in the socio-cultural environment as a result of constant change in the consumer lifestyle, taste and goods/services accordingly. Changing nature of households, demographics, family structure, and the changing values in society, or in a consumer group as important variables in their environment. There is need to consider the following questions:

1. What is the dominant religion?
2. What are attitudes toward foreign products and services?
3. Does language impact the diffusion of products into the marketplace?
4. How much time do consumers have for leisure?
5. What are the roles of men and women within society?
6. How are children treated in the society, i.e. impoverished, educated, part of the labour force, etc.
7. How long does the population live? Are the older generations wealthy?
8. Is the region multi-cultural?

(c) Technological Environment

Technology is vital for global competitive advantage, and is a major driver of globalization - falling price and increase efficiency of communication, information and technology. Business enterprises have to consider the following research points in order to strategically position themselves in their business sector:

1. Technology drives creation of new industries and challenges the mature industry - how is the enterprise poised to take advantage of this fact?
2. Technology is a key to withstanding competitive threats.

3. How does the uptake/change in technology affect your relationships and communications with suppliers, customers, networks, communities, media, governments and stakeholders?

(d) Environment

For effective analysis of the business environment by the enterprise, a SWOT (Strengths, Weaknesses, Opportunity and Threats) analysis brings together the most essential external and internal environment factors that are relevant to business sector is of great important in achieving its objective.

SWOT Analysis

- Strengths: attributes of the organization that positively impact its ability to achieve business/project objectives.
- Weaknesses: attributes of the organization that negatively impact its ability to achieve business/project objectives.
- Opportunities: external conditions that potentially assist the business in achieving the objective.
- Threats: external conditions that potentially threaten the success, in the present or future, of a business or project.

Note that the internal environment comprises of the strengths and weaknesses while the external environment comprises of the opportunities and threats. It is important to note that opportunities and threats are often beyond the control of a business, and therefore should prompt the business to adapt, evolve and innovate to either take advantage of the opportunity, or to mitigate the damage of the threat. The table below consists of some of the parameters to be considered.

Table 2: SWOT ANALYSIS

Strengths or Weaknesses	Opportunities or Threats
<ul style="list-style-type: none"> resources/technology prowess customer service/loyalty efficiency infrastructure quality staff productivity corporate culture management expertise or lack of expertise delivery time price point capacity relationships with customers/suppliers brand strength multi-lingual capabilities ethics patents, licenses, permits exclusive access to natural resources distribution networks 	<ul style="list-style-type: none"> changes in government policy tax increases/decreases currency fluctuations interest rates industry mergers or joint ventures change in customer demographics strategic alliances expectations of shareholders/public technology advances closing of geographic markets changing customer tastes

(f) Legal Environment

The legal environment covers every aspect of an organisation's business. Laws and regulations are enacted in most countries ranging from transparency of pricing, the prevention of restrictive trade practices, minimum wage and business taxes, product safety, good practice in packaging and labelling, the abuse of dominant market position, code of practice in advertising, policy guidelines on registration of business etc.

Conclusion

Business environment is a very significance factor that needs to be considered by a business enterprise for its effective performance and sustainability. The internal and external business environments have to be properly analysed with proper environmental scanning for the enterprise to have a competitive advantage. The political, economic, socio-cultural, technology, environmental and legal (PESTEL) framework give an insight to some of the parameters that are to be considered by the enterprise likewise the SWOT analysis which shows the strengths, weaknesses, opportunities and threats that are abound in any business environment.

References

- Adeoye, A. O. and Elegunde, A. F. (2012). Impacts of External Environment on Organisational Performance in the food and Beverage Industry in Nigeria.
- Angahar, P. A. (2012). Fast tracking economic empowerment and poverty reduction through support of local councils for micro and small businesses in Nigeria. *International Journal of Business and Management Tomorrow*, 2(4), 1-9, April.
- Aremu, M.O. and Adeyemi, S. L. (2011). Small and Medium Scale Enterprises as a Survival Strategy for Employment Generation in Nigeria. *Journal of Sustainable Development*. Vol.4, No. 1. Retrieved from www.ccsenet.org/jsd on 26th September, 2013.
- Ayozie, D. O. (2006). The role of small scale industry in national development in Nigeria. Association for Small Business & Entrepreneurship 32nd annual conference, Corpus.
- Baines, P., Fill, C. and Page, K. (2011). *Marketing*. Oxford University Press.
- Ebiringa, O. T. (2011). Synthesis of literature on small and medium enterprises start-up financing. *International Journal of Economic Research*, 2(1), 85-95.
- Environmental Scanning (2013). Retrieved from <https://www.boundless.com/marketing/the-marketing-environment/the-marketing-environment/scanning-and-analysis/> on 28th December, 2014
- Gerry Johnson, Richard Whittington and Kevan Scholes (2011). *Exploring Strategy*. 9th ed. Financial Times, Prentice Hall.
- Grazina Startiene and Rita Remeikiene (2013). Business Environment Conditions in More Advanced Transition Economies. *European Journal of Business and Social Sciences*, Vol. 1, No. 12, pp 216-232. Retrieved from <http://www.ejbss.com/recent.aspx> on 24th December, 2014.

4

Entrepreneurship Development In Nigeria: A Socio-economic, Political and Security Perspective

¹Aishatu Ahmed Aliyu ²Mohammed Isah Shehu

Department of General Studies,
Federal Polytechnic, Bauchi, Bauchi State - Nigeria

Introduction

The importance of entrepreneurship to any state and its socio-political, economic, societal thrive and stability cannot be over emphasized. Entrepreneurship is thus, a major segment in every state's socio-economic and sustainable development which provides substantial employment, growth and development to the economy, socio-economic stability of a state and enhances proper exploitation/harnessing of both human and material resources. States with less or poor entrepreneurship drives and harnessing are likely to have poor economic performance and also encounter more socio-economic, political turbulences. Nigeria, whose economy is developing, is in shackles of poor entrepreneurial drives, harnessing and performance due to several institutional and other factors; it is already hit by unemployment and poverty. This study explores these predicaments which have over the years negatively affected the performance of entrepreneurship in the Nigerian economy as well as impacting negatively on Nigeria's strive to curb unemployment and trigger socio-economic development. The study used secondary sources to gather data. It is found that states and economies only succeeds in overcoming unemployment when entrepreneurship opportunities are optimally explored and harnessed, unsustainability of most entrepreneurial establishments and policies, poor government and private entrepreneurial policies and shortage of or poor funding are the banes of Nigeria's and Nigerians' entrepreneurial drives over the years. The study recommended among others comprehensive design and implementation of entrepreneurship policies and programmes in both public and private sectors, qualitative and sustained entrepreneurial education, inculcation of entrepreneurship practical skills, adequate provision and proper channeling of funds in both public and private sectors towards entrepreneurial establishments, supports and sustainance, filling the major gap existent between theory and practice of entrepreneurship in Nigeria especially in the educational institutions, institutional minimization of risks involved in entrepreneurship drives, optimum exploitation of initiatives especially among the youth and proper orientation to students on the significance of entrepreneurship drives to

economic and socio-political stability, adequate and balanced distribution of socio-economic and infrastructural facilities among the citizenry and various parts of Nigeria..

Background to the Study

Entrepreneurship which generally involves exploiting and harnessing of opportunities/potentialities in individuals and economies is a viable tool that positions economies and determines success of that economies, politics, peace, security and stability of states in the world. In fact most developed nations' economies/democracies depend so much on entrepreneurship and enterprises practices to achieve growth, development and as well provide employment for teeming youth and schools graduates which culminates in productivity and social stability. Many of these developed nations, economies/democracies accord much priority to the entrepreneurial drives with sound policies, conducive atmosphere or numerous windows of opportunities and adequate funding where applicable.

Nigeria, the largest of all African state in terms of population and economy is also involved in such drive to attain optimised entrepreneurial pursuits but along the way finds itself ravaged by some impediments. This has adversely affected the entire socio-economic, political and other aspects of Nigerians' public and private lives and endeavours. Most Nigerians similarly regard entrepreneurship and or self employment as the last resort for reasons of laziness, poor initiative, fear of or inability to bear and sustain risks and the general environmental and prevailing economic factors and situations. Similarly, entrepreneurship has suffered a wide gap between theory and practice in Nigeria. Casson (2005) has therefore lamented the wide gap existent between theories and practicals in entrepreneurship with big abstracts on one hand and practical assembly of data volumes for the formation and growth of small and medium enterprises on the other.

Objectives of the Study

The objectives of this study are to:

- 1 Explore the various factors and or impediments responsible for poor entrepreneurial performances on the sides of the government and private sectors in Nigeria.
- 2 To portray the potentialities available and harnessable in the Nigerian state and economy and to also emphasize the significant and dominant roles played by entrepreneurship in every state, society and economy.

Review of Related Literature

Although the concepts of entrepreneur and entrepreneurship popular and cherished by many, they are difficult to define as maintained by Lawal et al (1998:5) and many others. Similarly, many scholars, economists and management scientists have conceptualized

entrepreneurship. To them, entrepreneurship means "the act or process of identifying business opportunities and organizing to initiate a successful business activity". While an entrepreneur is one who "identifies business opportunities and organizes the required resources initiate successful business activity. Entrepreneurship is seen as process of creating and managing a business to achieve desired objectives and or creating an enterprise that is capable of entering new or already established market with goods or services (Enikanselu and Oyende, 2010). While Kolawole and Omolayo (2006) see an entrepreneur as one who has the ability and recognizes business potentialities and opportunities exploit and produce a product or service. Entrepreneurship involves perception and exploration of opportunities and actualise them (Finkle, 2000). While Hosh (1998) sees entrepreneurial organizations as business oriented establishments that focus on new and novelty products and services and markets with goals of profit and growth.

Generally, entrepreneurship has to do with the ability to acquire and practice skills, ideas and the general ability to operate and manage a business (production or service) to achieve profits and self reliance. Entrepreneurship also involves the establishment/set up and managing a business venture which usually involves risks bearing and benefits (profit) to the entrepreneur. Entrepreneurship always begins with exploration and exploitation of opportunities perceived by an entrepreneur. Entrepreneurship largely depends on individuals' responses to the perceived and or available opportunities. The response of an entrepreneur is largely composed of proceeds that involves discovery of opportunities, evaluation of such opportunities and ability to properly exploit the opportunities for the attainment of success. Two key factors make a better and successful entrepreneur and these are: better information obtained. An entrepreneur is an individual with innovative capability and develops business that has not existed in prior. Entrepreneurship is one of the four components with which free enterprise is established as observed by Enikanselu and Oyende (2010:2). In the same vein, Shane (2004) has identified key elements of entrepreneurship as: Generation of opportunities; Personality factors and responses to perceived opportunities; Risks assessment and its bearing among the entrepreneurs; and organising how to exploit the opportunities through agreements, franchise and granting licenses; and the quality of innovations/creativity to be effected by the entrepreneur. Roles of an Entrepreneur as noted by many like Kilby (1971:12-22) include among others: exploitation of opportunities availed by an environment, overseeing sales and or services, exercising decisions and control over limited resources, managing human relations, managing financial resources and activities, making new innovations in products and services, marketing products and or services. Entrepreneurs initiate and innovate changes in the world of business activities. The Nigerian socio-economic, political and environmental scenes do not however favour entrepreneurial drives as observed by Ogidan that:

"The present economic environment in Nigeria lacking heavy industry and with dwindling entrepreneurial activities will continue to cause unemployment, low purchasing power, under development and an increasing gap between the rich and the poor. Politicians seem to have lost clear idea of the country's economic future" (Ogidan, 2004:18).

There is risk in running every enterprise although some have higher risks than others but Nigeria's business and economy generally have continuously relapsed as maintained by Okerie (2010). The small enterprise sector has the advantage of low investment and high rate of employment generation in the economy. The industries under enterprises are dispersed among the rural and urban areas thus aiding a relative balance in the distribution of national income. Drucker (2003:35) has also posited that every business enterprise has two functions of marketing of products/services and innovation of good or better goods and services.

Characters of Entrepreneurship/Entrepreneurs

Entrepreneurship/entrepreneurs possess common features the world over but the extent to which they optimally or minimally assume this characters are determined by several social, economic and environmental factors. William et al (1999) have maintained that entrepreneurial attributes include: self direction, self-nurturing, action oriented and high energy. Rae and Carswell (2000) have also maintained that entrepreneurs are action oriented and substantial part of their business learning is based on experience. Major features of an entrepreneur also include: enthusiasm for the enterprise, has specific ideas and plans not found or available generally and or in the market, is persistent and determined to develop strategies to turn his vision to a reality, bears risks, a positive thinker who learns from mistake and experience.

Osuala (2001) has maintained that an entrepreneur is confident, self employed, operates the business, takes risks especially of loss, combines production factors, finances the business and is innovative as per the establishment, operation and success of the business. Those who are engaged in entrepreneurship as observed by Alaezi (2003) believe more in themselves, work harder, make more money and live happier than those in paid employments.

Strategic Significance of Entrepreneurship to State, Society and Economy

Many states, societies and economies over the world especially in developed states and economies accord much priority to entrepreneurship drives in their economies (free enterprise). According to Enikanselu and Oyende (2010:39), entrepreneurship plays key role in economy, development and prosperity of a every state through: job creation, transformation of traditional/indigenous economy to industrial one, facilitating innovations, enhancing productivity, invention of new technologies, products and services, stimulation of

the traditional/indigenous technologies, enhancing Gross Domestic Products (GDP), reduction in rural urban migration, increase in standard of living, efficient exploitation and harnessing of natural resources, spreading economic activities and generation and reservation of foreign exchange earnings. They also noted that entrepreneurship is vital for the growth and development of every economy. Skill development forms the basis by which young individuals undergo transition from unemployment or education to field work for earning a living and profits making.

According to Akande (2010), entrepreneurship among others helps to bring economic efficiency through exploitation of human and material resources, form and raise human and material capital, help in geographic spread of development, provide employment, improve social labour relations, raise industrial efficiency and self reliance at individual, local and national levels. Vast wealth and varied as well as millions of jobs are ever created through entrepreneurship with more windows of opportunities and potentialities for realizing them, self esteem, self control. One of the major and strategic drivers of any economy in the world is entrepreneurship. The extent to which a state and its people are entrepreneurial determines the success especially of its economy which invariably affects other sectors.

Entrepreneurship is indispensable to jobs and wealth creation and economic growth and development of every state. Entrepreneurship is borderless and thus cuts all facets – education, production, goods, services and distribution. One of the major reasons why African economies are backward is the fact that they fail to establish, support and or create a conducive atmosphere for enterprising individuals and businesses. Thus, developing countries only contribute about 15% of the world's total industrial output. An entrepreneur is anyone who searches for change or innovation, explores and harnesses resources for gainful and or profitable purposes. Nigeria's economy is being negatively affected by poor policies and reformations, inconsistencies in relation numerous and changing administrations and regimes leading to irresponsible governance, political instabilities which are all complemented by corruption in both public and private sectors and above all loss of confidence, fear and apathy among the citizenry.

All the above similarly manifest in poor performance of Nigeria's sectors especially the economy which in turn results in economic stagnation, decrease in labour demand, unemployment and impacting negative on both public and private entrepreneurial drives as observed by Okojie (2003). Lawal (1998:1) have noted that enterprises have a very significant role to play in the promotion of social and economic well being of a state. Lawal et al (1998:1) also noted that increase in productivity, national income, market leadership, technological innovations of the world economic leading nations as Japan and US are based on entrepreneurial and small businesses in those countries. SMEDAN.

Establishment and Sustenance of Entrepreneurship in Nigeria

The importance of entrepreneurship to any economy and state cannot be over emphasized and so for Nigeria. Establishment of entrepreneurships is one thing and sustenance of such is another. Although it is difficult to start an entrepreneurship, it is mostly more difficult to sustain such. This is associated with the fact that Nigerians have poor sustenance/maintenance culture on virtually everything whether in terms of goods or services. Nigeria is thus faced with problem of entrepreneurial sustenance. Currently, Nigeria has one of the highest rates of entrepreneurial dearth in the world and has one of the highest rates of entrepreneurial business collapse (Akande, 2010) and on the other has a poverty profile of more than 112.519 million people living in abject poverty (NBS, 2014). As a result of those, Nigeria is over the years battling with unremitting unemployment with prevalence among who constitute large number of Nigeria's productive population and human resource although Nigerians have clear idea of what to do and achieve what they want but fail in selecting the appropriate means of achieving their objectives (Ogidan, 2004:18). He also lamented that:

"A nation that is enslaved at heart cannot be freed by any mere changes of presidents, governors, chairmen, ministers, commissioners, or institutions; and so long as the fatal delusion prevails that liberty solely depends upon and consist in government, so long will such changes, no matter at what cost they may be effected, have as little practical and lasting result as the shifting of figures in a government's budgetary system" (2004:19).

Aluko et al (1998:96) also notes that business organizations and or entrepreneurs in Nigeria have to take several factors into consideration during their establishments which include: personal circumstances, existence of opportunities, availability of capital, form of ownership, management of the enterprise or organization, location and legal requirements.

Determinants of Entrepreneurship Success in Nigeria

Successes of entrepreneurships/entrepreneurs are determined by several factors and such are universal but with unique relativities found in relation economic and environmental peculiarities. Sulaiman (2010:137) has also itemised the factors that influence entrepreneurship as: personal attributes (achievements, self control, tolerance, experience, education, age and commitment, personal values), environmental factors (competition, resources, creativity, government policies, customers, suppliers, opportunities, roles models) and sociological factors (networks, teams and parents, family and roles models). These factors are generally not favourable to Nigerian entrepreneurs and have many effects on the success/failure and to a trickledown effect affect the economy, state, socio-political stability, society and development. These are coupled with the fact that Nigeria is yet to fully operate a

free enterprise economy as the state stands to regulate/influence certain sectors and or activities in the economy. This is further aggravated by damning corruption which is existent, manifest and characteristic of every affair in Nigeria especially the public sector upon which dependence is for formulation and execution of laws to regulate and control the overall performances of both the public and private sectors and individuals.

Unemployment and Entrepreneur Education

Unemployment is a global problem but it remains most prevalent in developing countries especially Africa South of Sahara. There is insufficiency of employment and opportunities in the formal sector while the private sector's performance is grossly inadequate to employ the teeming available labour force thus the strong need for entrepreneurial drives and engagements through collaboration among the private, public sectors and the educational sector through entrepreneurial education and training. For International Labour Organisation (ILO)/World Bank (1998), the unemployed involves the population of those who are economically active and available for and seeking work to do. Unemployment therefore, results when individuals are ready to work and seek for but could not get one and it is also a situation where individuals who are ready and willing to do works at prevailing wage rates outnumber the total number of vacancies or jobs to be employed for and when firms cannot as well dispose their goods and services as they normally do see (Bannock et al, 1998). Adebayo (1999) also asserts that unemployment exists when willing and available labour force cannot find jobs to do and the proportion of unemployment in a country is a reflection of its resources (human and material) availability and how such are efficiently utilized. Awogbenle and Iwuamadi (2010) have also asserted that Nigeria has a youth population of about 80m out of which about 64m are generally unemployed.

According to Akindutire (2004), the issue of unemployed graduates in Nigeria is intensive that most graduates have to wait for up to five years to get a job in the public service and unfortunately most graduates rely on and look up to the public sector for employment despite alternatives including entrepreneurship. One of the ways and measures used in all parts of the world to curb this is to develop entrepreneurial opportunities and in Nigeria, the government has gone to the extent of inculcating it into the nation's educational system. Entrepreneurial education which has to do with specially designed education with specific goals on innovations in theory and practice of production of goods and services in an economy. Oyebade (2003) has maintained that the unemployed can be grouped into two as: those who lost their jobs through retrenchments etc and those who have been employed no matter what before.

According to UNESCO (1997), no nation can achieve its goals in employment provision unless proper attention is given to entrepreneurship drives and its education in the society and the wealth and or poverty of a country is largely determined by quality of its higher education which is generally encompassed to include entrepreneurship education in most parts of the world (Gibbs, 1999). Accordingly, entrepreneurial education and policies in Nigeria must be tied to physical development of entrepreneurial attitudes and knowledge, the policies makers and educators must also have the spirit in them, conducive atmosphere for display and practice of individual entrepreneurial skills and innovations, teaching and inculcation of entrepreneurial abilities, realistic development of entrepreneurship education and practices, cooperation, partnership and exchange among the various individuals and bodies responsible and related to. Vocational education which emphasizes on specific trades, crafts and technical experiences should be intensified especially to the youth in Nigeria.

Impediments to Nigeria's Entrepreneurship Drive

Salami (2011) has in the same vein noted that entrepreneurship operation in Nigeria is mainly constrained by main factors of lack of political will and determination by policies makers/implementers', structural (associated with Nigeria's inconsistent educational system) and cultural factors. Enikanselu and Oyende (2010:169-82) have lamented that Nigeria's entrepreneurship drive's problems are two sided (government and private) summarized the problems bedeviling Nigerian entrepreneurship drives as: wrong choice of business, poor locations, financial indiscipline among the entrepreneurs, poor financial management, poor business plan, poor attention by most entrepreneurs, inadequate sources of capital, high competition in the market, lack of reliable infrastructures (electricity, water e.t.c.), absence of stable and favourable government policies and support, poor exploitation of raw materials and poor maintenance culture. Lawal et al (1998:iv) have noted that Nigeria's business environment has been affected in recent years by many factors with mixed effects such as use and abuse of local sources of raw materials, promotion of indigenous technology, low profits and productivity and high rate of unemployment.

Enikanselu and Oyende (2010) have observed that the major factors that constrain or limit entrepreneurship especially in Nigeria are: business opportunities, technical know-how and exploitation of business opportunities, inadequate financial support, poor management, reliable and efficient infrastructures, inadequacy of markets, competition with large organizations, stable and favourable government policies, poor knowledge of the market, skill acquisition and development. All the same, the basic problems confronting entrepreneurship in Nigeria include: Poor distribution of necessary infrastructural facilities for the development of both human and material resources (water supply, favourable government policies, poor or non exploitation of resources, stable energy sector and power

supply); Financial scarcity and imbalance; Poor or near absence of basic infrastructures; Inaccessibility, shortage of take off and working capital; Poor educational standard with emphasis on unrealistic paper qualifications; Poor training, re-training and technological impediments; Socio-political and environmental factors and other conditions such as stigmatization, system dynamics of Nigerian state, erratic power failure; Poor marketability at both local and international fronts.

Conclusion

Entrepreneurship is a basic tool for economic growth and development as well as socio-economic and political stability of any state and it is indispensable to all states and societies of the modern world. States and economies can only succeed in growing and developing their economies, overcome unemployment and establish peace, stability and progress when entrepreneurship policies are opportunities are optimally explored and harnessed. Unsustainability of most entrepreneurial establishments and policies, poor government and private entrepreneurial policies and shortage of or poor funding are the banes of Nigeria's and Nigerians' entrepreneurial drives over the years. Nigeria is lagging behind in entrepreneurial drives and that has negatively affected the growth and development of its economy and by extension is impacting negatively on Nigeria's socio-economic and political development. For Nigeria to assume growth, development and achieve socio-political and social security and stability as well as be among the twenty largest economies of the world by 2020, a change would have to be effected on Nigeria's course to entrepreneurship. This is both through its economic policies, educational policies and societal orientations and this can only be realized where and when a conducive atmosphere is created by the state for the various sectors of the economy, individuals to exploit and harness their talents, resources optimally exploited, harnessed and judiciously distributed among the citizenry.

Recommendations

This study has made the following recommendations based on Nigeria's potential human and material resources and its drive to entrepreneurship:

- 1 There should be realistic laws to curb corruption in both the public and private sectors and all those found guilty should be appropriately dealt with.
- 2 There should be comprehensive design and implementation of entrepreneurship policies and programmes in both public and private sectors.
- 3 There should be sustained and qualitative entrepreneurial education, inculcation of entrepreneurship practical skills.
- 4 There should be proper channeling of funds in both public and private sectors towards entrepreneurial establishments, supports and sustainance, filling the major gap existent between theory and practice of entrepreneurship in Nigeria especially

in the tertiary educational institutions, institutional minimization of risks involved in entrepreneurship drives.

- 5 Government should ensure optimum exploitation of initiatives especially among the youth and proper orientation to students on the significance of entrepreneurship drives to the economy and socio-political stability,
- 6 Government should ensure adequate and balanced distribution of socio-economic and infrastructural facilities among the citizenry and various parts of Nigeria.

References

- Adebayo, A. (1999). "Youth Unemployment and National Directorate of Employment Self Employment Programmes." *Nigerian Journal of Economics and Social Studies*, Vol. 41 No. 1, pp 81 – 100.
- Alaezi, O. (2003), "New Dimensions in Entrepreneurship". Ibadan: Spectrum Books Limited.
- Akande, O.O. "Performance and Impacts of Enterpreneurial Skills on Small Businesses Lagos State". An Unpublished Ph.D DisSertation. Ladoke Akintola University of Technology.
- Aluko, M., Gbadamosi, G., Osuagwu, L. & Umukoro, F. (1998), "Business Management and Environment". Lagos: Malthouse Press.
- Akintudure, I. O. (2004), "Administration of Higher Education". Lagos: Sunrey Press.
- Bannock, G (1998). "Penguin Dictionary of Economics". London: The Penguin Books.
- Bassey, I. E. (2009), "Re-creating Primary Education for Patriotism and Self- R e l i a n c e : Implications for Teacher Education". *Journal of Qualitative Education* Vol. 5 (1), pp 6 – 10.
- Casson, M. (2005), "The Individual Opportunity Nexis". A Review of Scoot Shane's General Theory of Entrepreneurship and Small Business Economy. Pp423 – 430.
- Drucker, P. F. (2003). "The Practice of Management". Oxford: Heinemann.
- Enikanselu, S. A. & Oyende, A. I. "Introduction to Enterpreneurship". Lagos: Olas Ven- Tures.
- Finkle, B. (2000), "Contemporary Advertising". Illinois: Irwin & Homewood.
- Gibbs, A. A. (1999), "Learning Skills for All: The Key to Success in Small Business Development". Paper Presented at the 40th International Council for Small Business, Sydney – Australia
- Hosh, D. K. (1993), "Business Policy, Strategic Planning and Management". New York: Suition Chand & Sons Publishers.

- Kolawole, Y. & Omolayo, K. (2006). "Introduction to Entrepreneurship Development in Nigeria". Ado-Ekiti: UNAD Press Ltd.
- Kilby, P. (1971), "Hunting the Heffalumb in Entrepreneurship and Economic Development". New York: Free Press.
- National Bureau of Statistics (NBS) Poverty Profile Report, February, 2014. Abuja: NBS
- Ogidan, S. K. (2004), "Nigeria Entrepreneur on Fire". Lagos: Datanomics Information Investment Ltd.
- Okojie, C. (2003), " Employment Creation for the Youth in Africa". International Journal of Adolescence and Youth No.1 (131) pp 1-11.
- Okerie, P. (2011), "Environmental Analysis for Strategic Planning Process for Competitive Advantage in Nigeria". International Journal of Strategic Management Vol. 10 No. 8 pp14–28.
- Lawal, A. A., Kio, J. S., Sulaiman, A. A. & Adebayo, O.I. (1998), "Entrepreneurship Development in Small Scale Business". Lagos: Labson Resources Nigeria Limited.
- Rae, D. & Carswel, M. (2000), "Using a Life Story Approach in Entrepreneurial Learning: The Development of a Conceptual Model and its Implications in the Design of Learning Experiences", in Education and Learning, Vol. 42, No. 4 & 5.
- Sulaiman, S. N. (2010), "Entrepreneurship: Theories, Concepts & Perspectives". Kano: Triumph Publishing Company Limited Nigeria.
- Unegbenebor, A. U. (Edit). (2006), "The Fundamentals of Entrepreneurship". Lagos: Malthouse Press.
- William, G. N., James, M. M. & Susan, M. M. (1999), "Understanding Business". New – York: McGraw Hills.
- "World Bank Report". (1998). Washington DC.

5

Entrepreneurial Skill as a Determinant For Green Procurement Opportunity Exploitation By Small And Medium Enterprises In Nigeria

¹Rebecca Olufunke Olutoye ²Prof. Roselyn Gakure

¹Department of Purchasing and Supply (CBMS) Kaduna Polytechnic

²Jomo Kenyatta University of Agriculture and Technology, Kenya

Introduction

Small and Medium Enterprises (SMEs) are most vital to the economic growth of every nation in the world. The focus on entrepreneurial skills as a necessity for opportunity exploitation in SMEs is very important because of the peculiarity of problems they face especially for SMEs in Nigeria ranging from idea formulation, lack of sustainability in production and consumption to survival in the capitalistic market. This study hence explored entrepreneurial skills as a determinant for green procurement opportunity exploitation by Small and Medium Enterprises (SMEs) in Nigeria. The study adopted an exploratory approach using a descriptive survey which was conducted in Kaduna state of Nigeria. The survey was stratified into sub-sectors that were sampled which are agro-based, chemical, construction and engineering. The target population was 1,279 who are registered with Federal Ministry of Commerce and Industry, Kaduna. All analysis was conducted to obtain final result of the study sample of 120 registered SMEs drawn from the target population in Kaduna state. Also, the target population was grouped into the manufacturing industry, trade and services. Statistical analyses were conducted with the help and data from Kaduna Chamber of Commerce and Industry (KADCCIMA) to calculate the descriptive statistics and inferential statistics.

Background to the Study

Entrepreneurial skills is a important factor in determining the extent to which green procurement can be seen and exploited as an entrepreneurial opportunity for small and medium enterprises in Nigeria. Empirical studies show that small and medium enterprises in Nigeria and most developing nations have not discovered the economic benefit in green procurement as compared to SMEs of developed nations. The subject of this study is to determine the green procurement opportunity exploitation by small and medium enterprise

in Nigeria. Longenecker (2003) define entrepreneurship as the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and career commitment of providing value for some product or service. The entrepreneur's knowledge and experience provides them the desire to understand and make use of green opportunities. Johnson (2008) explained; the other important factors in this process are entrepreneurial alertness and entrepreneurial networks, motivation, making independent and self directed decisions

Green Procurement

Green Procurement" (formerly known as Affirmative Procurement) is the purchase of environmentally preferable products and services in accordance with one or more of the established "green" procurement preference programs. It involves the integration of environmental issues into purchasing decisions based on price, performance and quality. (Nicolas 2008). An entrepreneur is person bearing risks, planning, supervising, organizing and owning (Beaudeau, 1997). Schumpeter (1934) describes an entrepreneur as an innovator and develops untried technology. An entrepreneur is an economic man who tries to maximize his profits by innovations (Haggen, 1998).

Statement of Problem

The growing commitment to sustainable principles has increased the demand for new green products and services. Businesses and consumers are looking for entrepreneurial skills in the economy which presents better ways to reduce waste, minimize our impact on the environment, and leave a cleaner, greener world for our children and grandchildren. The growing emphasis on protecting the environment translates into opportunities for entrepreneurs (Nelson 2000), but only entrepreneurs in developed nations have been able to operate entrepreneurial skills and capabilities to take advantage of the green procurement entrepreneurial opportunity. SMEs of most developing nations dwell on the mythical believe that green jobs are a fad (Nelson 2000). Small and medium enterprise in Nigeria is characterized by surveys from various researchers and Small business owners on the various challenges hindering the growth of SMEs ranging from poor management practices, poor access to funds, low equity participation from stakeholders, poor infrastructural facilities, shortage of skilled manpower, multiplicity of regulating agencies and overbearing operating environment, societal and attitudinal problems, lack of access to markets and information (Ajayi and Adesina 2011).

Purpose of the Study

Since SME'S dominate the private section in most developing countries, a deeper understanding of how green procurement contributes to their growth is important. The growth of SME'S is below expectation. This study provides insight and a model that should enable SME'S to be more profitable and achieve sustainable goals and graduating to a large enterprise by identifying and employing critical drivers of growth such a green procurement. In globalized economics, there has been increased in challenges such as intense competition and ever changing environmental conditions. Since SME'S are a major contributor to the GDP, they still lack a practical understanding of utilization of green procurement for their competitive advantage . This study will therefore seek to determine green procurement opportunity exploitation by small and medium enterprises in Nigeria.

Significance

The significant aspect of this study is to thoroughly explore and properly investigate the entrepreneurial skills as a determinant of green procurement opportunity exploitation by small and medium enterprises in Nigeria. The findings of this study are to benefit the following; entrepreneurs, stakeholders, end users and practitioners, the government, scholars and academics and future researchers.

Literature Review and Conceptual Framework

Entrepreneurship contributes significantly to the economy (Ahire, Walter and Golhar 2005). Schumpeter (1961) simply defines the entrepreneur as the one who brings about innovations which is what creates real development in the economy. One of the important inputs in any economic development of a country is entrepreneurship. The future of entrepreneurship is bright in developing countries.

Stevenson (1999) conceptualizes entrepreneurship skills as opportunity based management behaviour. He describes entrepreneurial skills and administrative skills as the two extreme opposites of an entrepreneurship continuum. This continuum describes the entire spectrum of possible firm behaviours with the promoter firms placed at the entrepreneurial end and the trustees at the administrative end. Whereas the promoter intent to pursue and exploit new opportunities regardless of resources controlled, the trustee strives to use his or her resource pool in the most efficient way on given purposes.

Hisrich (2009) corroborated that there is an interaction effect between entrepreneurial alertness and the entrepreneur's prior knowledge of market and customer problems. Those entrepreneurs who are have the ability to recognize meaningful business opportunities are

in a strategic position to successfully complete the product planning and development process and successfully launch new venture. For SMEs to successfully harness opportunities available in the economy they need to possess and operate to a certain level of significance skills that are functional for entrepreneurship and entrepreneurs in a thriving competitive market as the Nigerian market.

Independent entrepreneurial actions provide the impetus needed to explore business opportunities, bring forth business concepts, and carry them through to completion (Bird, 2009; McMullen & Shepherd, 2006). The environment provides to the entrepreneur a number of resources and all that is required is for the entrepreneur to note an opportunity, combine these resources optimally, process them and the outcome will be a profitable venture creating employment and value addition to the entrepreneur and the community (Kuratko and Hodgetts, 2008). An entrepreneurial opportunity invariably involves the development of some new idea that most others overlook. In the context of environmental change, those with entrepreneurial intentions (Hisrich, Peters and Shepherd, 2005) and (cognitive) orientation (Holt, 2002) often see new opportunities where most others are concerned with protecting themselves from emerging threats and changes resulting from uncertainty. Entrepreneurs have different characteristics from other people. Investors intending to finance entrepreneurial ventures try to measure the commitment of entrepreneurs by for example willingness to mortgage their houses, take a cut in pay, sacrifice family time and reduce their standards of living (Dawood, 2008). The Opportunity Recognition Process) explains the process of opportunity recognition by entrepreneurial skills in the most bleak of situations where most others cannot see because they are concerned with protecting themselves and their finances from threats and changes which they presume will be unfavourable to the

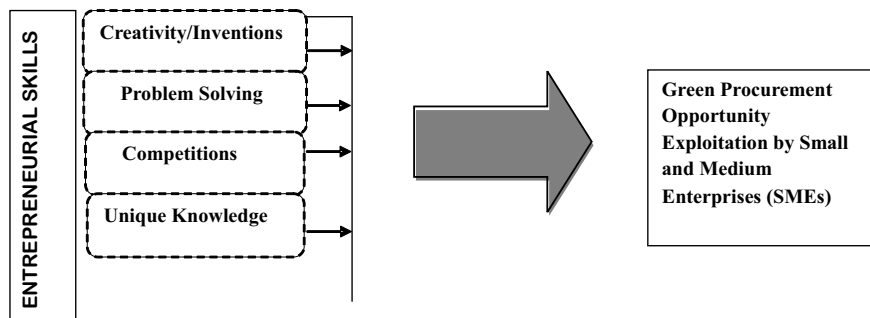


Figure 1: Conceptual Framework Design

Creativity/Inventions

Creative behaviours possess an element of newness, novelty, and difference (Herrmann, 1996). The process of creative thinking is now recognized as an important element in management. It has spawned a literature of green procurement in its own right (Goodman 1995), so we can only recognize and comment on its own importance. Such literature in green procurement suggests that obtaining the right environment and the right team of individuals is important for creative thinking and hence idea formulation (Hisrich 2009).

Problem Solving

Entrepreneurial skills are a thorough determinant in green procurement opportunity exploitation and such skill is problem solving in nature. You can develop lateral thinking by challenging assumptions. An assumption is anything you assume or believe to be true. Challenging an assumption can lead to a creative solution to a problem (Mariotti 2009).

Kardosh, Levendoschi and Ecofrotas (2011) agreed with the findings that the ability and ease of introducing green procurement into various stages of the SME market process helps to solve the problem most SMEs face from production to consumption stage of their product. D'Amico and Agune, (2007) states in corroboration that SMEs are required to reduce waste disposal, to provide energy efficiency certification, to employ vehicles that use less polluting fuels, to present appropriate waste management plans, to reduce the use of chemicals, and to identify greenhouse gas mitigation opportunities (green procurement).

Competitions

In green procurement, SMEs can find a way to beat the competition based on price, location, quality, reputation, reliability or hours, by operating a very successful business based on untapped resources with an already existing product or service which are the products that can be recycled for optimum productivity and security of the environment (Mariotti 2009).

Unique Knowledge

Green procurement is a constructive and productive innovation for SMEs especially in Nigeria because of the unique form of knowledge for sustaining the environment and creating maximum profit out of it also (Badi and Badi 2005). SMEs possess a better knowledge of their neighborhood better than bigger organizations in the same neighborhood would. They are well experienced on the environmental activities therein. They can use that knowledge along with their creativity and intelligence, to become very successful SMEs (Oyeyinka 2005).

Methodology

A well structure questionnaire was used to collect data from SMEs. The study used random sampling technique and collected data from 120 SMEs. Regression analysis, correlation and coefficient calculations were done using statistical packages for social sciences (SPSS) obtaining the correlation between entrepreneurial skills and green procurement opportunity exploitation by SMEs in Nigeria. Results were discussed to aid SMEs ability to adopt the techniques and bring profitability.

Analysis

Descriptive statistics for all the variables were calculated and inferential analysis was also done. Pearson's correlation coefficient was calculated for all the variables to corroborate the relation between entrepreneurial skills and green procurement opportunity exploitation by SMEs.

Findings

The findings in all contributing variable reveals that entrepreneurial skills is a necessity for SMEs to thrive in the Nigerian economy. Findings also presents that SMEs possess entrepreneurial skills already and can be developed by adopting new initiatives for business.

Table 1: Statistical Results on Creativity/Inventions in Green Procurement

Statement	f	Yes %	f	No %	Total
Creative initiative	85	70.8	35	29.2	100
Initiative	111	92.5	9	7.5	100
Initiative towards green procurement	57	47.5	63	52.5	100
Average	84.3	70.26	35.6	29.73	100

Table 2 shows a coefficient of 0.73 for the creativity/inventions which confirm that creativity/inventions as an entrepreneurial skill among SMEs do influence the operation of green procurement opportunity exploitation by SMEs in Nigeria, positively.

Table 2: Coefficients of Creativity/Inventions

Coefficients

	Unstandardized Coefficients		Standardized Coefficient		Sig.
	B	Std Error	Beta	t	
Initiative towards green procurement	-.046	.084	-.050	-.594	.584
(constant)	.730	.058		12.660	.000

Table 3: Statistical Results on Problem Solving

Statement		Yes		No		Total
		f	%	f	%	
Problem solving initiative	111	92.5	9	7.5		100
Solved above 5 problems in 5years?	117	97.5	3	2.5		100
Average						

Table 4 shows a coefficient of 0.808 which further confirms that problem solving as an entrepreneurial skill among SMEs has a positive influence in the operation of green procurement opportunity exploitation by SMEs in Nigeria.

Table 4: Coefficient for Problem Solving

Coefficients	Unstandardized coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
Number of problems your business has solved	.044	.028	.143	1.567	.120
(constant)	.808	.078	10.317	.000	

Table 5: Statistical Results on Competition

Total Statement	Yes		No		
	f	%	f	%	
Competitive environment	103	85.8	17	14.2	100
Average					

Table 6 shows a coefficient of 0.509 which confirms that competition as an important entrepreneurial skill has a huge positive influence on green procurement opportunity exploitation by SMEs in Nigeria. For a unit change in the competition levels, there is a corresponding 0.509 unit change in the adoption of green procurement.

Table 6: Coefficients of Problem Solving

Coefficients	Unstandardized coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
Number of competitions faced in recent years	.146	.034	.371	4.340	.000
(constant)	.509	.086		5.930	.000

Table 7: Statistical Results on Unique knowledge

Statement	Yes		No		Total
	f	%	f	%	
Effect of unique knowledge	82	68.3	38	31.7	100
Staff training in green procurement	75	62.5	45	37.5	100
High cost of green procurement	56	46.7	64	53.3	100
Average	71	59.16	49	40.83	100

Table 8 shows a coefficient of 0.393 which further confirms that entrepreneurial skills has a positive influence in green procurement opportunity exploitation by SMEs in Nigeria. In fact for a unit change in unique knowledge levels, there is a corresponding 0.393 unit change in the adoption of green procurement.

Table 8: Coefficients of Unique Knowledge

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
policies for enhancing the knowledge of employees	.226	.090	.226	2.508	.014
(constant)	.393	.066		5.987	.000

Conclusion

Green procurement as an entrepreneurial skill encourages a competitive environment. Being a healthy practice for the growth of SMEs in Nigeria, it brings about this practice by identifying key antecedents that could drive such practices. Therefore, SMEs in Nigeria need to take initiative towards green procurement as a better way to grow and sustain a business. Also from the fact that Nigerian SMEs are creative and very innovative, a little encouragement from other factors in this study will nudge them to achieve this.

Recommendation

Entrepreneurial skill has a direct effect and very positive impact on SMEs however small or big if there will be sustainable growth and development of SMEs as far as opportunity exploitation is concerned in Nigeria. The study showed the role that entrepreneurial skill plays in SMEs with the variable guidelines in the findings which comprised of; creativity/inventions, problem solving, competitions and unique knowledge.

SMEs should ensure that creativity and inventions is a business habit as creative behaviours possess an element of newness, novelty and difference. SME organizations should ensure that creative thinking is inculcated into the daily activities of the business it runs and that

managers are taught in the creative thinking pattern. All staffs also regardless of their position should be encouraged to engage in creative thinking and come up with innovations and ways to carry out ideas and should be bold enough to bring it up before the management team or the leadership of such organizations. Nobody should be left out in the creative thinking process. Green procurement should be taking into considerations by SMEs and think creatively on how best to apply the green procurement practices that will be profitable to their business as well as improving the quality of their output to customers and consumers.

References

- Armstrong, M. (2009), "Armstrong's Handbook of Human Resource Management Practice 11th(Ed.)". British Cataloguing-in-Publication, London and Philadelphia.
- Arnold, J.R.T., Chapman, S.N. (2004), "Introduction to Materials Management 5th (Ed.)". Pearson Prentice Hall. New Jersey.
- Anderson, A.R. Sarah, L.J. & Sarah, D.D. (2002), "The Role of Family Members in Entrepreneurial Networks: Beyond the Boundaries of the Family Firm".
- Badi, R.V., Badi, N.V. (2005), "Entrepreneurship". Vrinda Publication LTD, Delhi. Baharum, M.R. (2010). Determining key Variables for Solid waste Management service delivery at shopping Centre. The School of Built Environment, Liverpool John Moores.
- Baily, Pet.al. (1994), "Purchasing Principles and Management". 7th (Ed.). Publishing Ltd, London.
- Baines, T., Kay, G., Adesola, S., & Higson, M. (2005), "Strategic Positioning: an Integrated Decision process for Manufacturers", International Journal of Operations & Production Management, vol. 25.
- Barney, J. (2000). "The Debate between Traditional Management Theory and Organizational Economics: Substantive differences or Intergroup conflict". Academy of Management Review, 8: 382-393.
- Bason, M. (1999), "The Importance of Environmental Factors in the Design of Management Procedures". ICES Journal of Marine Science, 56: 933–942.
- Biondi, V., & Iraldo, F. (2002). "Achieving Sustainability through Environmental Innovation". The Role of SMEs, International Journal of Technology Management, 24(5/6), 612-626.
- Bosman M. (2009). « The Historical Evolution of Management ». The Changing Role of Leaders in Organization. Retrieved from <http://www.strategicleadershipinstitute.net/news/the-historical-evolution-of-management-theory-from-1900-to-present-the-changing-role-of-leaders-in-organizations>.

- Brown, J.H., Gillooly, J.F., Allen, A.P., Savage V.M., West, G.B. (2004). « Towards a Metabolic Theory of ecology Department of Biology ». University of New Mexico, Albuquerque, New Mexico 87131 USA.
- Busch, A. (2005). « The North American Green Purchasing Initiative ». Retrieved from http://www.cec.org/storage/50/4267_nagpi-brochure_en.pdf.
- Carter, C.R. & Jennings, M.M.(2004), "The Role of purchasing in the Socially Responsible Management of the Supply Chain: A Structural Equation Analysis". Journal of Business Logistics, Vol. 25
- Casson, M. (2002). « The Entrepreneur. An Economic Theory. To- towa, NJ: Barnes & Noble.
- Chendo, N.A., (2013). « Manager's Perception of Environmental Sustainability. Retrieved from www.iiste.org/Journals/index.php/EJBM/article/download/4717/4796.
- Collins, J. C, & Lazier, W. C. (2002). « Beyond Entrepreneurship ». Turning your Business into an Enduring Great Company. Englewood Cliffs, NJ: Prentice-Hall
- Cooper, D. R., Schindler, P.S. (2003). « Business Research Method », Irwin: McGraw-Hill.
- Creswell, J. W. (2002). « Research Design: Qualitative ». Quantitative and Mixed Methods
- Da Silva, A. P, Hall G, Hutchinson, P, (2007) "Financial and Strategic Factors Associated with the Profitability and Growth of Small and Medium-Sized Firms," Portugal. A paper presented at International Council for Small Business, 52nd World Conference Turku, Finland.
- Deakins, D., Freel, M. (2003). "Entrepreneurship and Small Firms". 3rd (Ed.). McGraw Hill. Berkshire.
- Dixit, A. K., & Pindyk, R. S. (2004). "Investment under Uncertainty". Princeton, NJ: Princeton University Press.
- DiMaggio, P.J. & Powell, W.W.(1983), "The iron cage revisited: Institutional Isomorphism and Collective Rationality in Organizational fields", American Sociological Review,

- Dominick, C. (2008). "Green Procurement: Let's Get Started" Purch Tips –Edition 156 SPSM. Retrieved from <http://www.nextlevelpurchasing.com/articles/green-procurement.html>.
- Dowling, J. & Pfeffer, J.(1975), "Organizational legitimacy: Social values and Organizational BEHAVIOR", *The Pacific Sociological Review*
- Early, J. (2003). "Green Procurement in Trade Policy". 19 p. Montreal: CEC.
- Ekpenyong D.B., Nyong M. O. (1992). « Small and Medium-scale Enterprises in Nigeria: their Characteristics, problems, and Sources of Finance ». African Economic Research Consortium, Nigeria
- Elsbach, K.D.(1994), "Managing Organizational legitimacy in the California cattle Industry: The Construction and Effectiveness of Verbal Accounts", *Administrative Science Quarterly*, Vol. 39 No. 1.
- Etuonovbe A. K. (2009). "The Devastating Effects of Environmental Degradation - A Case Study of the Niger Delta Region of Nigeria". Retrieved from: <http://www.studymode.com/essays/The-Devastating-Effects-Of-Environmental-Degradation-1482253.html>.
- Fargo, J., & McKinnell, S. (2008), "Effects of Temperature and Stock Size on year-class Production of Rock Sole (*Lepidopsettabilineata*) Northern Hecate Strait". British Columbia.
- Fereidoun, H. (2007). "The Effect of Long-Term Exposure to Particulate Pollution on the Lung Function of Teheranian and Zanjanian Students". *Pakistan Journal of Physiology*, 3(2), 1-3.
- Francis, R. C., Adlerstien, S. A., & Hollowed, A. (2008), "Importance of Environmental Fuctuations in the Management of Pacific Hake (*Merlucciusproductus*)". Canadian Special Publication in Fisheries and Aquatic Sciences, 108.

6

The Impact of Entrepreneurial Education on Inclusive Growth in Nigeria: 1980-2013

¹Aigbedion Isibor Marvelous, ²Prof. Sarah .O. Anyanwu
& ³Prof. Elizabeth O. Adebayo;

^{1&2}Department of Economics,
University of Abuja, P.M.B 114 Abuja

³Department of Economics, University of Abuja, P.M.B 114, Abuja

³Department of Agric. Economics, MAUTECH, Yola

Introduction

This paper is an attempt to empirically investigate the impact of entrepreneurial education on inclusive growth in Nigeria. The study adopted secondary time series data and the study used econometrics tools (unit root test, causality test, co-integration analysis and error correction model analysis) to estimate the data. From the findings, entrepreneurial education has a strong and positive impact with inclusive growth in Nigeria and entrepreneurial education is a catalyst for inclusive growth through job creation, poverty reduction and wealth creation in Nigeria. From the results, there are some challenges of entrepreneurial education in Nigeria among them are the issues of inconsistent policies, funding, human resources and programmes of entrepreneurial education in Nigeria. Empirically, entrepreneurial education determinants namely (primary education, secondary education, tertiary education and educational expenditure) for inclusive growth in Nigeria have less impact on inclusive growth, especially the primary education in Nigeria has not made the desired impact on inclusive growth. This may be due to the fact that the primary education has less entrepreneurship internship programmes and lack of funds, and also the primary school pupils are not economically active in Nigeria. The paper recommends that government and its agencies should design a proper and consistent entrepreneurial education programmes at all levels of educational system in Nigeria and make funds available for these programmes. Finally, at all levels of education system, curricula should be reviewed for inclusive growth in Nigeria.

Background to the Study

Inclusive growth is broad-based rapid pace of growth across sectors, contributed and benefited by a cross section of people in the economy including the poor. This suggests structural transformation that generates long-term diversification and pervasive market structure de-concentration; widespread and high speed poverty reduction; equality of opportunity with regard to access to product and resource markets, supported by policies and regulations that ensure level-playing field among economic agents; long-term productive employment generation strategies, combined with short-term direct income redistribution schemes; and creation of employment opportunities as well as productivity improvements. Inclusive growth, as a concept, has been included as a proposed goal by the Open Working Group on Sustainable Development Goals as part of the post-2015 development agenda.

The Nigerian Economic Society (2015), has emphasized the need for inclusive growth in Africa and Nigeria in particular. The World Economic Forum on Africa which was held in Nigeria in 2014 with the theme Forging Inclusive Growth and Creating Jobs, asserted that Africa's accelerating growth trajectory is overshadowed by pervasive inequality, poverty and high unemployment rates, which undermined its achievements and compromised its future. The unemployment challenge is compounded by Africa's youthful population of which 200 million are aged between 15 and 24, while an additional 112 million workers would enter Africa's labour force by 2020. The Forum considered this as a clarion call for Africa to work harder on inclusive economic growth that will create quality employment. (World Economic Forum, 2014)

In 2014, McKinsey Group International (MGI), Nigeria Office in its study titled, Nigeria's renewal: Delivering inclusive growth in Africa's largest economy' observed that Nigeria, being the largest economy in Africa and the 26th largest in the world, after the GDP rebasing exercise, currently possessed good prospects for inclusive growth where the quality of life of all the citizens should be improved. Some of the key importance of entrepreneurship education and development are diversification; widespread and high speed poverty reduction; equality of opportunity with regards to access to product and resource markets, long-term productive employment generation strategies; increase market and many others. To achieve these there is a need for entrepreneurial education in any nation. According to Organization for Economic Co-operation and Development, (1996), education and health are concerned with the cultivation of the whole person including intellectual, character and psychomotor development. It is the human resources of any nation, rather than its physical capital and material resources that determine the character and pace of its economic and social development. Education matters, not only for personal development, health status,

social inclusion and labour market prospect of individual learners, but also for broader economic performance of countries.

Governments in Nigeria, over the years have made deliberate efforts at ensuring that there is increase in the level of public expenditure on health and educational sector. However, despite the government investment in education, the educational sector in Nigeria is beclouded by uncertainties. Most schools in Nigeria are characterized by overcrowding, poor sanitation, poor management, low students-teachers' ratio, poor teachers' remunerations and welfare packages. Other problems include abandoned capital projects, inadequate funding, poor condition of service and others, (Federal Republic of Nigeria, 2000). The resultant effects of these myriads of anomalies are production of half-baked graduates, unsatisfied yearnings and aspirations, corruption, bribery and so on. The obvious poor performance in Nigerian education sector in spite of the government spending on education has resulted in low capacity to develop human capital (entrepreneurs) and this has retarded economic growth and development over the years through unemployment, poverty and inequality.

Therefore, this paper is an empirical investigation of the impact of entrepreneurial education on inclusive growth in Nigeria. To achieve this objective, the paper is subdivided into five sections which are introduction, literature review, methodology, presentation of result and analysis, and conclusion and recommendations.

Literature Review

Conceptual Review

Hornby (2006) defined an entrepreneur as a person who makes money by starting or running businesses, especially when this involves taking financial risks. Aina and Salako (2008) described entrepreneurship as the willingness and ability of an individual to seek out investment opportunities and takes advantage of scarce resources to exploit opportunities profitably. It is the process of creating something new with value by devoting the necessary time and efforts, assuming the accompanying financial social risks at the end receiving resulting reward. UNDP (2010) defined entrepreneurship as the process of using private initiative to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with high growth potential. UNDP (2010) defined entrepreneurship education and development as referring to the process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes.

According to Franca (2015) inclusive growth as the factual connotation of the compound vocabulary refers to both the swiftness and the prototype of the financial growth in a country. The writings on the subject draw well dissimilarity between undeviating proceeds redistribution or shared increase and inclusive growth. The inclusive growth approach takes a longer term viewpoint as the focal point is on productive employment rather than on direct income redistribution, as a means of growing incomes for barred groups. Inclusive growth is, therefore, supposed to be intrinsically sustainable as separate from income distribution schemes which can in the short run reduce the disparities, between the poorest and the rest, which may have arisen on account of policies intended to jumpstart growth. While income sharing schemes allow citizens, to profit from financial expansion in the short run, inclusive growth allows populace to contribute to and benefit from economic growth. Growth is inclusive if it supports high levels of employment and increasing income. For Nigeria, this means acquiring competitiveness in new sectors and technologies.

Theoretical Review

There are severe theories of entrepreneurship and human capital development, but in this paper we focused on two main theories of entrepreneurship namely Schumpeter effect and refugee effect and three theories of human capital development which are human capital theory, the modernization theory and the dependence theory. In the discussion the Schumpeter effect and refugee effect theories of entrepreneurship, the process of entrepreneurship activity reducing unemployment situation in the economy is called "Schumpeter effect". Garofoloi (1994) and Audretsch and Fritsch (1994) in their separate studies found that unemployment is negatively related to new-firm start-ups, that is, as new businesses are established, employability is stimulated and unemployment reduces substantially. While this process of unemployment fast-tracking entrepreneurship activity has been called a "refugee effect". This important view dates back at least to Oxenfeldt (1943), who pointed out that individuals confronted with unemployment and low prospects for wage employment often turn to self-employment as a viable alternative.

On the side of human capital development theories which are human capital theory, the modernization theory and the dependence theory. Schultz (1995), explains that Human Capital Theory emphasized that education increases the productivity and efficiency of workers by increasing the level of their cognitive skills and Adediji and Bamidele, (2004) explained that Modernization Theory focuses on how education transforms an individual's value, belief and behavior. Exposure to modernizing institutions, such as schools, factories and the mass media, inculcates modern values and attitudes. These attitudes include openness to new idea, independence from traditional authority, willingness to plan and calculate future exigencies and a growing sense of personal and social efficacy. While the

Dependence Theory arose from Marxist conceptualizations based on the dynamics of the world system that structure conditions for economic transformation in both the core and periphery of the world economy is based on the human capital development. The proponents argue that the prevalence of foreign investment capital, the presence of multinational corporations, and concentration on exporting of primary products and dependence on imported technologies and manufactured goods constrain long-term economic development. (Adedeji and Bamidele, 2004)

Empirical Studies

Omotor (2004) analysed the determinants of federal government expenditures in the education sector in Nigeria using the ordinary least squares (OLS) methods. The study revealed that the trend in education expenditure in Nigeria is unstable which reflects the instability in government earnings. Government revenue was the only significant determinant of education expenditures as revealed by the results of the regression. The study recommends a diversification of the sources of funding education so as to reverse the unstable trend in that sector.

Lawanson and Marimathu (2009), conducted a study on human capital and economic growth in Nigeria with special attention to education and health and found that there exists positive relationship between government expenditure on education and economic growth because the coefficient of government expenditure on education performs well in terms of a priori expectation and it is also significant. On the contrary, the study found that the coefficient of government expenditure on health was inconsistent with a priori expectation implying a negative relationship with economic growth. The study concluded that there exists a clear cut and obvious relationship between human capital development and economic growth but the contribution of human capital to growth in Nigeria has been less than satisfactory.

Oluwatobi and Ogunrinola (2011) empirically examined the nexus between human capital development of the government and economic in growth in Nigeria. The basic objective of the study was to examine the impact of government recurrent and capital expenditure on education and health in Nigeria and their effect on economic growth. The study use augmented Solow growth model. Employing econometric technique, the result revealed that there is a positive relationship between government recurrent expenditure on human capital development (education and health) and economic growth. The policy implication is that funding of capital expenditure on education and health is required in the Nigerian economy.

Model Specification and Method of Data Analysis

To formulate Error Correction Model (ECM), begins with the Ordinary Least Squares (OLS), the Ordinary Least Squares multiple model is formulated as follows:

$$PCGDP = \alpha + \beta_1 GHE + \beta_2 GEE + \beta_3 PSER + \beta_4 SSER + \beta_5 TIER + \varepsilon_t$$

Where, Per Capita Gross Domestic Product (PCGDP), Government Expenditure Health (GEH), Government Expenditure Education (GEE), Primary School Enrolment (PSER), Secondary School Enrolment (SSER) and Tertiary Institutions Enrolment (TIER).

From the equation 3.1, the Parsimonious Model or over parameterized model is formulated as follows:

$$PCGDP = \alpha + \beta_1 GHE + \beta_2 GEE + \beta_3 PSER + \beta_4 SSER + \beta_5 TIER + \beta_6 GHE_{t-1} + \beta_7 GEE_{t-1} + \beta_8 PSER_{t-1} + \beta_9 SSER_{t-1} + \beta_{10} TIER_{t-1} + \beta_{11} X_{t-2} + \dots + \beta_{1n} X_{t-n} - ECM_{t-1} + \varepsilon_t \quad (7)$$

The Parsimonious Model or over parameterized model was used to adjust the estimation until the ECM turned negative. The negative sign of coefficient of the error correction term ECM (-1) shows the statistical significance of the equation in terms of its associated t-value and probability value. The study used Ordinary Least Squares to investigate long term relationship between entrepreneurial education and inclusive Growth in Nigeria. The study also used Error Correction Model (ECM) to investigate the short-run impact entrepreneurial education for inclusive Growth in Nigeria. Error Correction Model (ECM) has its root in Ordinary Least Squares.

Presentation Results and Analysis

Unit Root Test

The results of the stationary tests after the application of the augmented Dickey Fuller (ADF) are summarized in Table 4.1 for the variables at level, first and second difference. From Table 4.1, it clear that some of the variables are stationary at level, first difference and some at second difference. The variables are thus integrated of order two, that is 1(2) and become stationary, that is, 1(0) after transformation. It then applies that we can reject the presence of unit root in all the variables in their second difference. The test was conducted at 1% and 5% level of significance.

Table 4.1: Unit Root (Stationarity) Test

Variables	ADF -Statistic	Critical Values	Order of Integration
PCGDP	2.352081	1% = -3.6496 5% = -2.9558 10% = -2.6164	Stationary at level
GEE	-4.229430	1% = -3.6576 5% = -2.9591 10% = -2.6181	Stationary at first difference
GEH	-6.380380	1% = -3.6576 5% = -2.9591 10% = -2.6181	Stationary at second Difference
PSER	-8.134392	1% = -3.6661 5% = -2.9627 10% = -2.6200	Stationary at Second Difference
SSER	-6.004646	1% = -3.6661 5% = -2.9627 10% = -2.6200	Stationary at second Difference
TIER	-4.419882	1% = -3.6576 5% = -2.9591 10% = -2.6181	Stationary at second Difference

Source: Authors' E-view Computation, (2015)

Co-Integration Test

The Johansen co-integration test result in Table 4.2 shows the existence of four co-integrating equations at 5% significance level in the model. The hypothesis which states there is no long-run relationship between entrepreneurial education and inclusive growth in Nigeria is rejected at 5% significance level. This implies that there exists a long-run relationship between entrepreneurial education and inclusive growth in Nigeria.

TABLE 4.2: Johansen Cointegration Test

Eigenvalue	Likelihood Ratio	Series: PCGDP GEE GEH PSER SSER TIER		Hypothesized No. of CE(s)
		5 Percent Critical Value	1 Percent Critical Value	
0.915620	211.5238	94.15	103.18	None **
0.823115	132.4061	68.52	76.07	At most 1 **
0.689610	76.97403	47.21	54.46	At most 2 **
0.542464	39.53644	29.68	35.65	At most 3 **
0.335185	14.51562	15.41	20.04	At most 4
0.044353	1.451732	3.76	6.65	At most 5

Denotes Rejection of the Hypothesis a 5 % (1%) Significance level L.R. test Indicates 4 Cointegrating Equation(s) at 5% Significance Level

Source: Authors' Computation (2015)

Long-run Regression Analysis

Having conducted the unit root and co-integration tests, we proceeded to obtain the long-run results of the relationship between entrepreneurial education and inclusive growth using the ordinary least squares method. The result presented in Table 4.3 revealed that all the variables in the model (except the Primary School enrolment rate (PSER) and Tertiary Institutions Enrolment Rate (TIER)) satisfy the a priori expectations with respect to their signs. Therefore, the Primary School enrolment rate (PSER) and Tertiary Institutions Enrolment Rate (TIER) have negative impact on inclusive growth and also e there were statistically insignificant at 5 percent significant level in the long-run in explaining the variation in Per Capita Gross Domestic Products in Nigeria.

The result further shows that the Government Education Expenditure in Nigeria (GEE) and Government Health Expenditure have significant impact on economic growth at 5 percent significant level in the long-run. This means that a unit increases in these variables will increase per capita Gross Domestic product by 0.0008 and 0.018 percent respectively. Similarly, the Secondary School enrolment rate (SSER) has a positive and statistically insignificant impact on inclusive at 5 percent significant level in the long-run in explaining the variation in Per Capita Gross Domestic Product in Nigeria.

The adjusted R² of 0.87 percent indicates that 87 percent of the variations in the dependent variable are explained by variations in the independent variables and the Durbin Watson statistic of 1.66 suggests that the model is free from serial auto correlation. The F-statistics of 38.989 shows that the model has a good fit in explaining variation in inclusive growth in Nigeria and meaning that entrepreneurial education has good fit in determining the variation in inclusive growth in Nigeria.

Table 4.3: The Long Run Regression Results

Variables	Coefficient	Standard Error	T-Statistical	PROB.
C	386.22	296.98	1.300504	0.2040
GHE	0.00078	0.00047	1.668	0.0064
GEE	0.01807	0.00289	6.234	0.0000
PSER	-1.7512	2.7412	-0.639	0.5278
SSER	0.00010	5.0212	1.9995	0.0553
TIER	-0.00053	0.0003	-1.860	0.0734
R-SQUARE	0.87			
ADJ R -SQUARE	0.85			
F-STATISTIC	38.989			
D-W STATISTIC	1.556993			
PROB	0.00000000			

Source: Authors' Computation from E-Views Software 7.0 (2015)

The Error Correction Model

From Table 4.4, the coefficient of the error correction term is -3.768 which implies that the speed of adjustment is approximately 3.768 percent per quarter. The negative sign and significant coefficient is an indication that co-integrating relationship exists among the variables. The size of the coefficient on the error correction term (ECT) denotes that 3.768 percent of the disequilibrium caused previous year's shock converges back to the long run equilibrium in the current year. According to Kremer, Ericsson and Dolade (1992), a relatively more efficient way of establishing co-integration is through the error correction term.

In the result, the government health expenditure is positively related to inclusive growth while government education expenditure is negatively related to inclusive growth in Nigeria at lag one and statistically significant at 5 percent level of significance that is the variables are fit in explaining variation in inclusive growth in Nigeria. Government health expenditure and primary school enrolment are positively related to inclusive growth and statistically significant at 5 percent level of significance that is, the variables are fit in explaining variation in inclusive growth in Nigeria.

Also, from the parsimonious error correction model in Table 4.4, the coefficient determination (R²) is 0.98, which indicates that about 98 per cent of the systematic variation in the per capital GDP growth rate is accounted for by the variables taken together. The F-value of 168.2852 is significant at 1 per cent level of significance, which further suggests a linear relationship between the dependent and independent variables. While the D.W. statistics of 1.56 rules out auto-correlation.

Table 4.4: Results of Error Correction Model (ECM)

Variables	Coefficient	Standard Error	T-Statistical	PROB.
C	582.0786	92.60447	6.285642	0.00000
GHE	0.001271	0.000169	7.509944	0.00000***
GEE	0.072771	0.001657	10.42354	0.00000***
SSER	-9.70E -05	2.46E -05	-3.94280	0.00007***
D(GHE(-1))	0.001472	0.000214	6.872436	0.00000***
D(GEE(-1))	-0.013990	0.0003207	-4.362326	0.00002***
D(GHE(-2))	0.003753	0.000324	11.557013	0.00000***
D(PSER(-2))	4.90E -05	1.83E -05	2.68019 7	0.01370
ECT(-1)	-3.767920	53.35839	-0.070615	0.00199
R-SQUARE	0.98			
ADJ R -SQUARE	0.97			
F-STATISTIC	168.28			
D-W STATISTIC	2.01			
PROB	0.0000000			

Source: Authors' Computation (2015)

Conclusion and Recommendations

In conclusion, the research has attempted to empirically examine the impact of entrepreneurial education on Inclusive growth in Nigeria, from the study there is a strong relationship between entrepreneurial education and inclusive growth in Nigeria both in the long run and short run. The result showed that the primary school education has positive impact at long run except at the short run in lag two period, both the government education and health expenditure have positive impact on inclusive growth in Nigeria, this implies that both the government education and health expenditure are tools for increased inclusive growth in Nigeria. The tertiary institutions in Nigeria have less or no impact from the result. This may be due to the fact that our graduates from these higher institutions are not well trained for entrepreneurial activities as it is in the case of South East Asian countries. The rapid growth experienced by the South East Asian countries is due mostly to the presence of large stocks of high-level science and technology manpower and this can only be achieved through high level of entrepreneurial education and training.

Besides, in the past decade, the Nigerian tertiary institutions have been characterized by incessant strikes and disruption of academic activities, leading to shorter academic calendar. This coupled with poor facilities such as ill-equipped libraries, laboratories, inadequate teaching and research materials, inadequate classrooms as well as poor management and utilization of educational funds. These have resulted in the production of graduates who lack the basic skills necessary for rapid growth process of the Nigerian economy. Many graduates are unemployed, roaming the street while some are under- utilized having very low paid jobs. From the Nigerian Bureau Statistic (2014), the rate of unemployment of 11.79 percent in 2005 has increased to 12.29 percent in 2013. These figures will keep increasing if the government and other stakeholders are not challenged to improve the educational system that breed high quality entrepreneurial skills for inclusive growth in Nigeria.

From the fore going, the paper recommends the following:

- i. Government and its agencies should design a proper and consistent entrepreneurial education programmes at all levels of educational system in Nigeria and make funds available for these programmes.
- ii. Government and its agencies at all levels of education system should ensure that curricula are reviewed to adequately accommodate the learning and acquisition of entrepreneurial skills for inclusive growth in Nigeria.
- iii. The educational system should be restructured to meet the needs of the changing society in terms of high-level manpower that will propel the economy to higher levels of productivity, income and rapid inclusive growth.
- iv. The government should also increase its spending on social and economic infrastructure in order to enhance the efficiency of labour and increase productivity, through gainful employment for economic growth.

References

- Adedeji, S.O & Bamidele, R.O. (2004), "Economic Impact of Tertiary Education on Human Capital Development in Nigeria". Abuja: Selected papers for the Nigeria Economic Security 2002 Annual Conference.
- Aina, B.S & Salako, H.A. (2008), "Determinants of Foreign Direct Investment in Nigeria: an Empirical Investigation". CBN Economic and Financial Review vol. 39, No. 1 March.
- Federal Republic of Nigeria. (2000), "National Policy on Education, 4th Edition". Lagos: Federal Office of Statistics, Annual Abstract of Statistics.
- Franca O. (2015), "Quality Entrepreneurial Education: Opportunities for Youth Development". Unemployment and Poverty Reduction in Nigeria, Journal of Educational Policy and Entrepreneurial Research (JEPER).
- Garofoloi, Gioacchino. (1994), "New Firm Formation and Regional Development: The Italian Case," Regional Studies, 28(4), 381-394.
- Hornby, A.S. (2006), Oxford Advanced Learner's Dictionary (International Student Edition – 7th Edition)". Oxford, Oxford University Press.
- Kremers, J. J, Ericson, N. R. & Dolado, J. J. (1992), "The Power of co Integration Tests". Oxford Bulletin of Economics and Statistics, (54): 325–47.
- Lawanson, O. & Marimathu, L. (2009), "Human Capital Investment and Economic Development in Nigeria: The Role of Education and Health". University of Lagos, Nigeria, Research Paper.
- Ogundele, O.J.K. (2000), "Determinant of Entrepreneurial Emergence, Behaviour and Performance in Nigeria". Lagos Unpublished Doctoral Dissertation; University of Lagos Nigeria.
- Oluwatobi, S.O. & Ogunrinola, I.O. (2011), ".Government Expenditure on Human Capital Development: Implications for Economic Growth in Nigeria". Journal of Sustainable Development, 4 (3):72-8.

Omotor, D. G. (2004), "An Analysis of Federal Government Expenditure in the Education Sector of Nigeria: Implications for National Development". *Journal of Social Sciences*, 105-110.

Oxenfeldt O., P. O; Akeke, I & Oladunjoye, O. (1943), "Entrepreneurship Development: A Panacea for Unemployment Reduction in Nigeria". *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)* 2 (4): 251-256, 2011.

Schumpeter, J. (1934), "The Theory of Economic Development". Harvard University Press, Cambridge, Mass,.

Schutlz, T.P. (1995), "The Role of Education and Human Capital in Economic Development: An Empirical Assessment". Centre Discussion Paper No. 670, Yale Economic Growth Centre, Yale University,.

UNDP (2010), " Human Development Report".

"World Economic Forum". 2014

Appendix I

Table 4.1: Data for Regression is Presented Below

YEAR	PCGDP	GHE	GEE	PSER	SSER	TIER
1980	871.1	61.85	52.79	12,206,291.0	1,877,057.0	57,742.0
1981	806.5	44.86	84.46	14,026,819.0	2,473,673.0	74,607.0
1982	661.2	50.96	95.95	14,964,143.0	2,880,280.0	87,066.0
1982	444.6	43.97	82.79	15,308,384.0	3,334,644.0	104,683.0
1984	348.6	53.94	101.55	14,383,487.0	3,402,665.0	116,822.0
1985	344.1	132.02	258.60	13,025,287.0	2,995,578.0	126,285.0
1986	240.6	134.12	262.71	12,914,870.0	3,094,349.0	135,783.0
1987	272.5	41.31	225.01	11,540,178.0	2,934,349.0	150,613.0
1988	286.4	422.80	1458.80	12,690,798.0	2,997,464.0	219,199.0
1989	260.0	575.30	3011.80	12,721,087.0	2,723,791.0	307,702.0
1990	321.7	500.70	2402.80	13,607,249.0	2,901,993.0	326,557.0
1991	279.3	618.20	1256.30	13,776,854.0	3,123,277.0	368,897.0
1992	291.3	150.16	291.30	14,805,937.0	3,600,620.0	376,122.0
1993	153.1	3871.60	8882.38	15,911,888.0	4,150,917.0	383,488.0
1994	171.0	2093.98	7382.7	16,683,560.0	4,500,000.0	202,534.7
1995	263.3	3320.70	9746.4	17,994,082.0	5,084,546.0	391,035.0
1996	314.7	3023.71	11496.1	19,794,082.0	5,389,619.0	689,619.0
1997	314.3	3315.49	3891.1	21,161,852.0	5,578,255.0	862,023.0
1998	273.9	3109.67	4742.2	22,473,886.0	5,795,807.0	941,329.0
1999	299.3	11121.78	16638.7	23,709,949.0	6,056,618.0	983,689.0
2000	377.5	11610.33	15218.0	24,895,446.0	6,359,449.0	1,032,873.0
2001	350.3	15225.54	24522.2	27,384,991.0	6,995,394.0	1,136,160.0
2002	457.5	31033.09	40621.4	29,575,790.0	7,485,072.0	1,249,776.0
2003	510.4	4557.45	33267.9	26,292,370.0	7,091,376.0	1,274,772.0
2004	645.9	23663.56	34197.1	28,144,967.0	7,091,376.0	1,745,186.0
2005	804.2	13186.18	55661.6	28,234,865.0	6,084,654.0	1,432,357.0
2006	1014.2	13902.78	58686.5	22,861,884.0	5,637,783.0	1,378,653.0
2007	1130.9	17125.43	72290.0	21,632,070.0	6,009,869.0	1,677,554.0
2008	1376.0	70700.0	98200.0	21,294,517.0	6,272,601.0	1,224,654.0
2009	1090.7	118712.7	90202.6	20,080,976.0	6,362,243.0	1,162,629.0
2010	2310.9	133445.5	93032.9	23,663,805.0	6,102,629.0	1,194,175.0
2011	2507.7	903333.5	92302.8	19,262,033.0	9,540,294.0	1,530,959.0
2012	2730.2	102344.5	95235.3	18,667,308.0	10,208,631.0	850,640.0
2013	2966.1	234555.9	98453.2	18,072,582.0	10,876,967.0	748,964.0

Source: (1) CBN, Nigeria's Principal Economic and Financial Indicators 1980-2014.
(2) CBN, Annual Report and Statement of Account (various issues).
(3) NBS Educational Report for various years

7

Entrepreneurial Traits as a Growth Determinant of Women Owned Manufacturing Micro-enterprises in Kaduna Metropolis, Nigeria

1Roselyn W. Gakure 2Catherine E Uloko

1Jomo Kenyatta University of Agriculture and Technology, Kenya

2Kaduna Polytechnic, Kaduna, Nigeria

Introduction

Micro enterprises are a vital economic base for any economy like that of Nigeria where the economic base is weakened consistently as a result of an unhealthy economy that is generally unplanned and mismanaged at the micro level. A micro enterprise is a business that is characterized by micro practices and form, processes and systems that are simple in nature. These entities employed only one to five persons and are averagely between one to ten years old. Though micro enterprises play a very crucial part in the reduction of poverty and the provision of employment to the teeming unemployed youths the ability of women owned manufacturing micro enterprises in Nigeria to experience rapid growth is constrained by a number of internal and external factors. Secondly a number of initiatives have been taken by governments, donors and non- government organizations (NGOs), both local and international to increase the growth of women micro and small enterprises in Nigeria. However, women enterprises are still predominantly micro and small, with very few women having growth orientated enterprises. The failure of many of these women to exploit fully their entrepreneurial attributes to influence growth may be attributed to the minimal growth observed among women owned enterprises. This study examined growth determinants of women-owned micro manufacturing enterprises at Kaduna in Nigeria. Literature review indicates that concepts, theories, and factors influencing growth featured in this study are largely developed from studies in Western countries, particularly United States and Europe, but their applicability to micro-enterprises in Sub-Saharan Africa is contestable. The existing research gap shows that there has been no study on growth determinants of women owned manufacturing micro-enterprises growth at Kaduna. A survey research design was employed to collect primary data and out of a total of 1244 and 31 types of micro enterprises, a sample 384 women owned manufacturing micro enterprises was used. The stratified systematic research method was used. Only 277 questionnaires

were returned. Content analysis was employed with frequencies and averages. The results from the study shows that entrepreneurial traits does not significantly influence the growth of micro enterprises in the study area. It is recommended that stakeholders put in place the necessary agencies to train women to sharpen their entrepreneurial traits .

Background to the Study

This study analyses the growth determinants of women owned manufacturing industries in Nigeria. Despite all these efforts by government to enhance the growth of SMEs in Nigeria, microenterprises and especially female owned manufacturing businesses are beset with a myriad of growth and developmental challenges. Empirical studies show that majority of women who owned micro enterprises are in sub sectors that are low in productivity and performance, such as in retail and service sectors (Adeyemi ,2011; Agaje,2008, Kithae et al. 2012; Gakure, 2004; GEM, 2010.) and they tend to experience sluggish grow(GEM, 2012, ILO,2008). The factors that determine the growth of female owned micro enterprises in Nigeria is therefore the subject of this study.

Statement of the Problem

Though micro enterprises play a very crucial part in the reduction of poverty and the provision of employment to the teeming unemployed youths, the ability of women owned manufacturing micro enterprises in Nigeria to experience rapid growth is constrained by a number of internal and external factors. Secondly a number of initiatives have been taken by governments, donors and non- government organizations (NGOs), both local and international to increase the growth of women micro and small enterprises in Nigeria (Adegbite et al.,2006), however, women enterprises are still predominantly micro and small, with very few women having growth orientated enterprises. The failure of many of these women to exploit fully their entrepreneurial attributes may be attributed to the minimal growth observed among women owned enterprises in Kaduna metropolis.

Research Question

Do entrepreneurial characteristics influence growth of women owned manufacturing micro enterprises in Kaduna metropolis, Nigeria?

Theoretical Framework

Jensen's (1997) model and the "big five" model as discussed in Zhou & de Wit (2009) are used as the framework of this study.

Methodology

A survey research design was employed to collect primary data and out of a total of 1244 and 31 types of micro enterprises, a sample 384 women owned manufacturing micro enterprises was used. The stratified systematic research method was used. Only 277 questionnaires were returned. Content analysis was employed with frequencies and averages.

Results and Discussion

The 'big five' model advocated for by Johnson (1990) is widely used as a robust indicator of personality traits. These big five factors that are generally agreed as personality traits or characteristics include: extraversion, emotional stability, agreeableness, conscientiousness and openness to experience. Based on the big five model, researchers have further classified entrepreneurial personality traits in to five categories: need for achievement, locus of control, motivation, risk-taking propensity, and self-efficacy. These traits are important psychological factors that would influence the growth of microenterprises (Garoma,2002). The collected data in this research was analysed and presented based on the conceptual model in chapter two and the 'Big Five model' or personality traits in entrepreneurship.

This section presents the integrated descriptive statistics for the entire sub-variables (Risk taking propensity, Need for Achievement, Innovative, Locus of Control and Proactive) that make up the first independent variable, Entrepreneurial Characteristics and the independent variable, growth (measured by product output, employment rate and sales output).

The question was asked what entrepreneurial characteristics would you say that the owner/manager possesses. Table 1 shows that the majority, eighty six (86) respondents or almost one third (31%) of the respondents stated that they possessed all the entrepreneurial traits (Risk-taking propensity, Need of achievement, Innovative, internal Locus of control and proactive). Those who considered themselves as just risk takers was the next most common, accounting for sixty seven (67) or (24%). Followed by respondents who stated that they considered themselves to possess two out of the five traits (Risk-taking propensity and Innovative), these accounted for forty nine(49) or (17.8%). While respondents possessing risk-taking propensity and locus of control accounted for twenty seven(27)or(9.8%) and lastly the respondents possessing risk taking and proactiveness accounted for seventeen(17)or(6.1%).

Similarly, the question was asked whether these traits aided the growth of their micro enterprises and the respondents who possessed all the five traits, eighty six (86) or (31%) only forty seven(47) or (17%) agreed that the entrepreneurial traits influenced the growth of their micro enterprises. The overall picture presented by the data showed a general low (31%) in terms of the influence of entrepreneurial traits on the growth of micro enterprises in

the study area. The respondents were then asked to indicate how these entrepreneurial traits have aided in the growth of the enterprise over the years and the following responses were given. The majority or (27%) of the respondents stated that it aided only at the start up, while(26%) stated the traits only aided in the achievement of desired goals and objectives(26%), and aided in sales output (16%). Lastly, it helped in the management of resources (5%) in austere periods.

The respondents who stated that their entrepreneurial traits did not influence the growth were asked to indicate the effect on the growth of the enterprise and the following were the responses. The majority, sixty two percent (62%) stated that it did not have any significant negative effect on their enterprise; while (25%) stated that it negatively affected demand of products and thirteen percent (13%) stated that it hindered access to resources. It can therefore be deduced that out of the five entrepreneurial traits considered only innovativeness had a significant influence on growth of micro enterprises(because it had a p-value of 0.000 which is lower than the sig. level of 0.05) in the study area. The other four personality traits do not significantly influence growth of micro enterprises in the study area because their p- values are each higher than the sig. level of 0.05(Risk taking propensity-0.694,Locus of control-0.608, N-Ach-0.014 and Proactive-0.012). Also, as low as (13%) only agree that these traits were significant for growth of their enterprises (Table 1). The implication of these results is that in the sample surveyed, entrepreneurial characteristics of these women do not significantly influence the growth of their businesses. What is clear here is that there are other external factors that could possibly greatly influence growth of enterprises. However, this is unlikely to mean that the business owner's entrepreneurial traits are not necessary for the growth of the business.

Table. 1 Entrepreneurial Traits

Responses	Frequency	Percentage
Risk Taking Propensity	67	24%
Need of Achievement	2	0.4%
Innovative	3	1.2%
Locus of control	2	0.8%
Proactive	1	0.4%
Possession of all the traits above	86	31.0%
Risk Taking Propensity/Innovative	49	17.8%
Risk Taking P ropensity/Innovative/Locus of Control	1	9.4%
Need Of Achievement/Innovative	3	1.2%
Risk Taking Propensity/Need of Achievement	5	2.0%
Risk Taking Propensity/Need of Achievement/Innovative	2	0.8%
Innovative/Locus of Control	1	0.4%
Risk Taking Propensity /Locus of Control	27	9.8%
Risk Taking Propensity/Proactive	17	6.1%
Risk Taking Propensity/Locus of Control/Proactive	10	4.0%
NO RESPONSE	1	0.4%
Total	277	100%

Table 2. Entrepreneurial Traits and their Influence on the Growth of Enterprises

	Yes	No
Risk taking propensity	5%	42%
Need for achievement	59%	41%
Innovativeness	45%	55%
Internal Locus of control	05%	95%
Proactive	1%	99%
All of the above	17%	83%

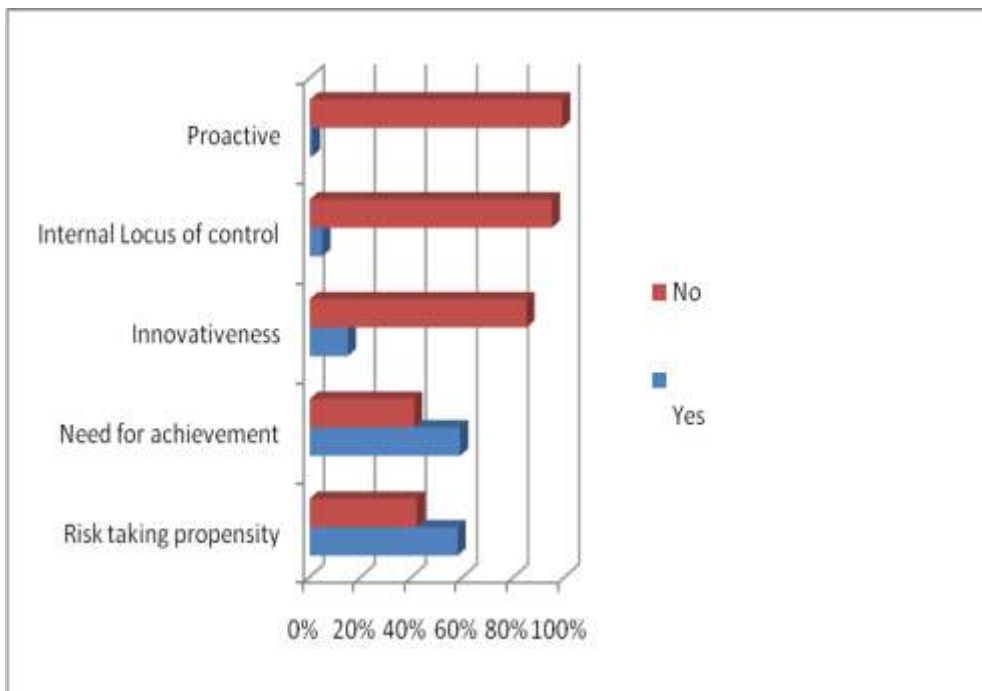


Fig 1. Entrepreneurial Characteristics and its Influence on Enterprise Growth

Discussion

This general findings are consistent with Kyewalabye(2003) and Garoma (2012) but does not seem to lend much support to theories advocating for these factors, at least based on the data. In Kyewalabye (2003) results reveal that, there is no significant relationship between entrepreneurial attributes and growth among women owned enterprises in Uganda. The study findings are also in conformity with (Van Uxem en Bais, 1996) who observed that women rate their own entrepreneurial attributes lower especially with regards to risk taking,

achievement orientation, innovation, industry knowledge and technological knowledge. Garoma(2012) in his study in Addis Ababa revealed that generally, his study found out that personality traits are less plausible determinants of success for Ethiopian microenterprise operators. It was observed that personal backgrounds such as migration status, ethnicity and overall experience of the operator are key determinants of success from individual dimension. This is not consistent with the theoretical framework for advanced countries, where personality traits such as achievement motivation and risk taking propensity are most important determinants of small business success.

Multi Regression Result for Entrepreneurial Characteristics and Growth

Regression analysis was carried out in order to determine whether the independent variable, entrepreneurial characteristics can be relied on in explaining the change in the dependent variable, the growth of women owned micro manufacturing enterprises in Kaduna metropolis. The coefficients obtained indicate that the correlation coefficient (R) between the independent variable and the growth of micro enterprises was 0. 475 which is a positive correlation relationship. Table 3 shows a coefficient of determination (R²) of .226, which means that this variable alone can explain up to 22.6% of the variations in the dependent variable, growth of micro manufacturing enterprises in Kaduna.

A test of variation was performed on the variable, entrepreneurial characteristics and the results are summarized in Table 4. The table shows that the variable has a P- value equal to .000, demonstrating that the model is statistically significant in explaining the change in the dependent variable, considering that the P-value is less than .05 at the 95% level of confidence.

The result obtained after carrying out the analysis reveals that entrepreneurial characteristics has a very weak positive relationship with enterprise growth (4.5%) since the Pearson correlation was 0.045 as shown in Table 5. The unstandardized coefficient was 0.005 at a significance level of 0.458. While the t test was 0.449, demonstrating that entrepreneurial characteristics is not statistically significant in predicting the change in the dependent variable. Table 5 also indicates that enterprise growth is not statistically significant since its p-value is more than .05 (p-value = .458).

Table 3 Model Summary for Entrepreneurial Characteristics

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.475 ^a	.226	.212	14.08348

a. Predictors: (Constant), Proactive, Locus of control, Risk taking propensity, Innovation, Need for Achievement

Table 4 Anova for Entrepreneurial Characteristics

Model	Sum of Squares	df	Mean Square	F	Sig
1. Regression .000 ^a	15793.043	5	3158.609		15.925
Residual	54148.018	273	198.344		
Total	69941.061	278			

a. Predictors: (Constant), Proactive, Locus of Control, Risk taking propensity, Innovation, need for Achievement

Table 5 Coefficients of Entrepreneurial Characteristics

Model	unstandardized Coefficient	std. error	t	P	earson corr.	Sig (2-tailed test)
Constant	7.118		8.563			0.000
Entrep. Characteristics	0.005	8.31	0.449	0.045		0.458

This means that the Null hypothesis (H0) is accepted and a conclusion reached that, at 5% level of significance and the 95% confidence level, there exist no significant relationship between entrepreneurial characteristics and the growth of manufacturing micro-enterprises owned by women in Kaduna metropolis.

Table 6 Pearsons Correlation Coefficients for Entrepreneurial Characteristics

		Enterprise growth	Entrepreneurial Characteristics
Enterprise growth	Pearson correlation sig. (2-tailed)	1	.045
	N	277	277
Entrepreneurial Characteristics	Pearson correlation Sig. (2-tailed)	.045	1
	N	277	277

The linear regression model of entrepreneurial characteristics therefore is

$Y = A + BX_i$ can be fitted as follows:

$$Y = 7.118 + 0.045X_i$$

Discussion

This result is consistent with findings enunciated in the following authors (Garoma, 2012; Shiferaw, 2007; Hardling, Soderbom & Teal, 2004; Kyewalabye, 2003; Oroko, 2002; Mead & Liedholm, 1998; and Karimi, 1998) who found that entrepreneurial traits do not have positive significant relationship with the growth of enterprises. This result also agrees with studies that link entrepreneurial traits to exogenous factors.

Conclusion

The study concludes that growth of enterprises are a complex phenomena influenced by a number of factors and that growth rates of women owned manufacturing enterprises at this micro level in the study area are sluggish. That entrepreneurial traits do not significantly influence the growth of micro enterprises owned by women in the study area.

Recommendations

Results should significantly influence policy, practice, research, and development partners' initiatives on the stride towards achievement of long term goals such as UN Millennium Development Goals 2015 and Nigeria Vision 2020. For the actualization of short term goals at this micro level the following recommendations are suggested: The immediate establishment of unit to cater specifically for women in Small and Medium Enterprises Development Agency to cater specifically for the intervention needs of these women at the micro level. The creation of a data bank to update the records of the census conducted in 2004 by UNIDO. Door-to-door sensitization of women in this sector using established educational institutions and social networks.

References

- Adeyemi, S. L. (2011), "Nigerian Women Entrepreneurs and their Personality Traits". Journal of Intellectual, Scientific and Cultural Interests, University of Ilorin, Humanities Edition, Volume7, No2, pp. 179-188
- Agaje, S. W. (2008). "Socio- Economic Determinants of Growth of small Manufacturing Enterprises". Addis Ababa. Unpublished Master's Thesis.
- Chell, E. & Bains, S. (1991), "Does Gender Affect Business Performance". A Study of Micro Business in Business Service in the UK. Entrepreneurship and Regional Development, 10, pp. 117-135
- Cheng, R.W.M (2006), "The Determinants of Growth in Small and Medium Enterprises: An Empirical Study in the Logistic Industry". Hong Kong. PhD Dissertation Curtin University of Technology
- Collerette, P. & Aubry, Paul G. (1991), "Socio-Economic Evolution of Women Business Owners in Quebec". Journal of Business Ethics (Netherlands), 9 (4,5): 417-422
- Cooper, A. Gimeno-Gascon, F., & Woo, C. (2011), "Initial Human and Financial Capital as Predictors of New Venture Performance", Journal of Business Venturing Vol 9. No.5 pp371-395.
- Eze, J.F. (2010), "The Theory and Practice of Entrepreneurship". Mike love Productions, Nigeria.
- Federal Republic of Nigeria - National Bureau of Statistics (NBS) (2010), "Annual Abstract of Statistics".
- Fiorito, S. S. & La Forge, R. W. (1986), "A Marketing Strategy Analysis of Small Retailers". American Journal of Small Business, 11(1), pp. 7-17
- Flamholtz, E. G. & Randle, Y. (n.d), "Successful Organizational Development and Growing Pains". Management Online Review. Retrieved from <http://www.mgtssystem.com/sites/default/files/Successful%20Organizational%20Development%20and%20Growing%20Pains.pdf>

- Fotopoulos, G. & Louri, H. (2004), "Firm Growth and FDI: Are Multinationals Stimulating Local Industrial Development". *Journal of Industry, Competition and Trade*, Hingham: 4(3), pp. 163
- Frazer, L. & Lawley, M. (2000), "Questionnaire Design and Administration". Australia: John Wiley and Sons, Brisbane.
- Gakure R.W (2004), "Women's Enterprises: Issues Impacting on Growth of Women's". Enterprises in Kenya J.KUAT.
- Gakure, R. W. & Uloko, C. E. (2014), "A Practical Guide to Research: A Synthesis of Approaches". Joyce Publishers, Kaduna, Nigeria
- Gakure, R.W., Kithae, P.P., & Munayo, L.M. (2012), "The Place of Micro and Micro and small Enterprises in the Achievement of Kenya's vision 2030". *Journal of US-China Public Administration* Vol. 9 No. 12. 1432-1440.
- Gall M.D., Gall J.P. & Borg, W. R. (2007), "Educational Research: An Introduction". Boston Pearson Education
- Garnsey, E. (1998), "A New Theory of the Growth of the Firm, ICSB 41st World Conference Proceedings". Stockholm, Sweden, Pp 121-143.
- Global Entrepreneurship Monitor (GEM) (2010), "Women and Entrepreneurship". Massachusetts U.S.A.: Centre for Women's Leadership, Banson College.
- Global Entrepreneurship Monitor (GEM) (2012), "Women and Entrepreneurship". Massachusetts U.S.A.: Centre for Women's Leadership. Banson College.
- Hisrich, R. D. (1996), "The Women Entrepreneur: A Comparative Analysis". *Leadership and Organization Development Journal*. 7 (2): 8-16
- Horst, P. (1968), "Personality: Measurement of Dimensions". Josey-Bass, San Francisco, CA
<http://www.abilitiesfund.org/resources/what-is-microenterprise-microlending.php>
- ILO (2008), "Factors affecting Women Entrepreneurs in Micro and Small Enterprises in Kenya". Addis Ababa. ILO Regional Office for Africa.

- International Labour Office (ILO) (2008), "Skills for Improved Productivity, Employment Growth and Development". 98th Session of the ILC. Geneva, Switzerland.
- International Labour Office (ILO) (2008), "Women Entrepreneurs in Kenya and Factors Affecting Women Entrepreneurs". MSEs in Kenya.
- Kithae, P.P, Gakure, R.W. & Munyano (2012), "The Place of Micro and Small Enterprises in Achievement of Kenya's Vision 2030". Journal of US-China Public Administration, ISSN 1548-6591 December 2012, Vol. 9, No. 12, 1432-1440 .
- Kyewalabye, J.N.B. (2003), "The Influence of Entrepreneurial Attributes and Social Networks on the Growth of Women Owned Enterprises". Unpublished Masters Dissertation.
- Mead, D.C. & Liedholm, C. (1998), "The Dynamics of Micro and Small Enterprises in Developing Countries". World Development, Vol. 26, No. 1. Pp. 61-74
- Okere, R. & Fidelis, M. (2012), "Nigerian Manufacturing Sector: Not much to Cheer at 52". The Guardian Wednesday 03, October (Industry Watch section)
- Papadaki, E. & Chami, B. (2002), "Growth Determinants of Micro-Businesses in Canada". Small Business Policy Branch Industry. Canada.
- Tibbits, H. (1999). "Factors Contributing to the Growth of Small Manufacturing Firms: Data from Australia". Journal of Small Business Management, Milwaukee, 4, UMI, pp. 88-95
- Vision 2020 – "Report on Rural Urban Development in Nigeria". NEEDS Document – (2009). Federal Government of Nigeria Document – retrieved on line on the 29th August 2012.
- Zhou, H. & De Wit, G. (2009), "Determinants Dimensions of Firm Growth. Scientific Analysis of Entrepreneurship SMEs (SCALES)". Retrieved from <http://www.entrepr...pdf-ez/H200903.pdf>. 22/05/13.

8

Influence of Entrepreneurial Resources on Performance of Landscape Architectural Enterprises In Nigeria

¹Mustapha Sani Sada ²Dr. Robert Gichira, & ³Dr. George Orwa

¹Department of Human Resources Development, JKUAT, (Kaduna Campus)

²Department of Human Resources Development, JKUAT, Kenya

³Department of Statistics and Actuarial Sciences, JKUAT, Kenya

Introduction

Entrepreneurship is a catalyst for economic development for any developed and developing nation. It involves initiating and promoting changes in the structure of business. This change is accompanied by growth and increase company performance. This study investigated the influence of entrepreneurial resources on performance of landscape architectural micro and small enterprises (MSE's) in Nigeria. The research employed descriptive survey design in which data was collected from 125 respondents all from the managers of architectural firms in the country. The finding shown that entrepreneurial resources such as human, financial and information networking influence performance of landscaping enterprises in Nigeria. Also the variables studied had positive relationship with the firm performance, but few were significant. Finally, it was recommended that founders of these architectural firms should strive hard to acquire more resources that will promote performance, growth and enterprises development.

Background to the Study

Entrepreneurial resources refers to the acquisition and application of a bundles of valuable tangible and intangible resources at the firm or enterprise disposal for the attainment of competitive advantage (Mwaihi and Mercer, 1983). According to the theorist of this model emphasized that firms resources includes all asset, capabilities, information, knowledge controlled by the firm that enable the enterprise to conceive and implement strategies that will improve its efficiency and effectiveness (Barney, 1991). Human resource management is the effective management of people at work. Firm human resources are important source

of sustained competitive advantage. Managing them well helps create unique competencies that differentiate products and services and in turn drive competitiveness. (Cappeth, 1993 and Ivancevic, 2003). Hence, this facilitates successful organizational performance. Barney (1995) emphasized that human capital should be viewed as a valuable assets that have a significant impact on firm's performance as limited by the resources based theory. It has been agreed that when a firm human resources practices are consistent with each other (i.e. internal fit) and with from strategic goals (i.e external fit), organization efficiency and performance will be enhanced (Hoselid, 1995 and Mahay, 2001). Studies carried out in Changchau, Tianjin and Shanghia in 2005 on impact of entrepreneurial resources on enterprise performance. The finding of the study shown that entrepreneurial resources acquisition influences that performance and development of enterprises. Also the empherical result provided evidence that entrepreneurial resources acquisition and performance of a firm are positively correlated preview research works has shows that social networking can benefit a firm's ability to find new resources which can result in high growth and supervisor performance (Watson, 2006).

Studies carried out shown that most of the landscaping enterprises in the developed nation especially in USA, Canada and Italy experienced a tremendous success in improved profitability, growth and enterprise development. These recorded success was attributed to the acquisition and proper utilization of entrepreneurial resources. These firms were able to make a lot of contribution to the revenue generation of their counties. But in Nigeria there is no empirical evidence where these firms contribute anything to the nations GDP. Therefore, this research study is to investigate the influence of entrepreneurial resources on performance of landscape architectural micro and small enterprises in Nigeria.

Statement of the Problem

Landscape architecture is a discipline that understands the nature of the environment and tries to conserve or manage a place in its form for its value or changes the way place look in the context of the prevailing ecological and cultural balance for a desire effect and for effective utilization. Landscape architects are the professionals that bring knowledge of natural sciences, environmental laws and planning policies. They create delight, protecting and enhancing most of our cherished landscape and townscapes (Couper, 2003). Landscape architecture is rapidly growing in most developed countries such as America Europe and Italy. These enterprises are making a tremendous contribution towards revenue and employment generation. Bell and Kogu (2005) carried out a study on the impact of entrepreneurship on landscape architectural firms in the region of California. The findings shown that the number of landscape architect practicing in the region were 124 and the number of registered landscape MSE'S are 43. In 2010 these firms were able to contribute

1.5% the total revenue generated in the region in the form of tax received from these firms. Brown (2011) revealed that as a result of entrepreneurship activities, the registered landscape firms in Canada were able to generate over 2.3m USD to the government. This is due to the application and utilization of adequate resource in the organization. This is a clear indication that entrepreneurial resources play a vital role in transforming the economy and improving the performance of landscape architectural enterprises especially in the developed nations. Entrepreneurship in Nigeria is well developed in other sector of the micro and small enterprises but little or no mention of landscape architectural MSE's. Studies shown that landscape firms in Nigeria are dying due to lack of adequate resources, corruption, epileptic power supply and poor leadership. Up to today there is no empirical evidence responsible for the death of landscape architecture MES's in Nigeria. A major question that arises is what is the impact of entrepreneurial resources, on the performance of landscape architectural MSE'S in Nigeria? To address this question, a research objective is set as follows;

To investigate the impact of entrepreneurial resources on the performance of landscape architectural enterprises in Nigeria, Specifically, the study focused on Human resources, financial resources and business information:

- i. To find out the relationship between human resources and performance of landscaping enterprises in Nigeria
- ii. To investigate the relationship between financial resources and performance of landscape architectural enterprise in Nigeria
- iii. To find out the relationship between business information and performance of landscaping MSE's in Nigeria.

Methodology

The study employed an exploration approach using descriptive correlation survey research design. Because the design helped to establish relationship between the Variables. Correlation is a statistical test to establish relationship between two or more variables (Bello, 2013). Data was collected using questionnaire with close ended questions during the survey, the target population for this study comprised of all the formally registered architectural firms practicing in Nigeria. According to the data available obtained from architects registration council of Nigeria (ARCON, 2003) there are total of 640 registered architectural firms licensed to practice in the country. In order to obtained a reliable data a sample of 148 architectural MSE's were selected from the six (6) geographical zones of the country using proportional random sampling. However, 125 managers of these firms were able to answer and returned the questionnaire dully completed. Data were compiled, sorted, edited and coded to ensure its quality, accuracy and completeness. Using statistical package for social science (SPSS) the

data were analyzed.

Research Findings and Discussion

Inferential Statistics (Regression Analysis)

The linear regression analysis shows the relationship between the independent variable (human resources) and dependent variable (i.e. performance of landscape architectural MSE's in Nigeria). The correlation coefficient (R) and the coefficient of determination (R²) shows the degree relationship between entrepreneurial resources and performance of landscape architectural enterprises in Nigeria.

Table:1 - Model of Human Resources and Performance of Landscape Architectural MSE's In Nigeria

Model	R	R ²	Adjusted R ²	Std error of the estimate
1	0.412 ^a	0.170	0.107	1.166 ⁴

a. Predictor: (Constant) Human Resources

Table 2: ANOVA

Model	Sum of squares	df	Mean square	F	Sig.
Regression	1.697	1	1.697	0.613	0.491 ^b
Residual					
Total					

a. Dependent Variable: Performance

b. Predictors: (Constant), Human Resource

Table 4 – Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Lower Bound	Upper Bound
1 (Constant)	3.318	0.847		3.915	0.30	0.621	6.015
Human res.	0.014	0.017	0.412	1.783	0.491	0.069	0.042

a. Dependent Variable: performance

The linear regression result on table 1.0 indicated that R= 0.412 and R² =0.170. This is an indication that there is no positive relationship between human resources and performance of landscape architectural MSE's In Nigeria. This shows that managers of landscape enterprises do not invest in human resource development for improved performance.

Table 2.0 shows the result of ANOVA test which reveal that human resource development have insignificant impact on performance of landscape architectural enterprises in Nigeria. Since the P- value actual is 0.491 which is greater than 5% level of significance. Table 3.0 shows that there is relationship between human resources and performance of landscape architectural enterprises in Nigeria but the impact is insignificant.

The current finding contradicts the study of Jane (2004) who discovered that competent and adequate high skilled manpower in an organization promote discretionary behavior, knowledge sharing and this is positively associated with enterprises performance. Also the current study is in disagreement with the study of 96 firms by Peter and Child (2007) who concluded that human resource management promotes entrepreneurial performance of micro, small and medium size enterprises through increased output, profitability and enhanced customer loyalty. Steel (2004) emphasized that lack of adequate and trained employees in any business setting retarded the company success and it may eventually die a natural death which the current finding concurs with.

Financial Resources and Performance of Landscape of Landscape Architectural Enterprise in Nigeria

The model summary of this association is in table 4.0

Table 4.0 Model of Financial Resource and Performance Of Landscape Architectural MSE's In Nigeria

Model Summary				
Model	R	R ²	Adjusted R ²	Std error of the estimate
1	0.707	0.500	0.333	1.291

a. Predictors: (Constant), Financial Resources

Model	Sum of squares	df	Mean square	F	Sig
Regression	5.000	1	5.000	3.000	0.010
Residual	5.000	3	1.667		
Total	10.000	4			

Table 5.0 ANOVAa

Dependent Variable: Performance

b. Predictors: (Constant), Financial Resources

Table 6.0 – Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.500	0.645		5.422	0.12	1.448	5.554
	Financial res.	0.092	0.045	0.299	0.354	0.005	0.055	0.013

a. Dependent Variable: performance

The linear regression result on table 4.0 revealed that $R = 0.707$ and $R^2 = 0.500$. This is an indication that there is positive relationship between. Financial resources and performance of landscape architectural enterprises in Nigeria. This shows that additional or increase in financial resources leads to increase in enterprise's profitability, growth and product/service diversification.

Table 5.0 shows the result ANOVA test which reveals that financial resource have a positive significant impact on performance of landscape architectural enterprises in Nigeria. Since the P-Value actual is 0.010 which is less than 5% level of significance.

Table 6.0 shows that there is positive significant relationship between financial resources and performance of landscape architectural MSE's in Nigeria.

The current finding agrees with the study of James (2004) who discovered that entrepreneurial resources such as financial and human resources are important ingredients to an entrepreneur towards improving the enterprises performance and development. AILA (2009) in a study of 68 landscape enterprises in California revealed that there is a significant positive relationship between financial resources and performance of landscape MSE's which the current study shares the same result. The current study also concurs with the study of Box (2009) who emphasized that there is strong positive relationship between performance and enterprise financial resources that promotes productivity and enhanced enterprise output.

Information and performance of landscape architectural MSE's in Nigeria

The model summary of the association is shown in table 7.0

Table: 7.0 Model of Information and Performance of Landscape Architectural Enterprises in Nigeria

Model Summary				
Model	R	R ²	Adjusted R ²	Std error of the estimate
1	0.775 ^a	0.600	0.400	1.000

a. Predictors: (Constant), Business Information

Table 8.0 ANOVA

Model	Sum of square	df	Mean square	F	Sig
Regression	3.000	1	3.000	3.000	0.022 ^b
Residual	2.000	2	1.000		
Total	5.000	3			

a. Dependent Variable: Performance

b. Predictors: (Constant), Business Information

Table 9.0 – Coefficients

Model	Un standardized Coefficients ^a	Standardized coefficient			t	Sig
		B	Std Error	Beta		
I	Constant	3.000	0.577		5.196	0.035
	Business information	0.016	0.009	0.775	1.732	0.022

Dependent Variable: Performance

The linear regression result on table 7.0 indicated that $R=0.775$ and $R^2 = 0.600$. This implies that there is a positive relationship between business information and performance of landscape architectural enterprises in Nigeria.

Table 8.0 shows the result of ANOVA test which reveals that business information have a positive significant on performance of landscape architectural MSE's in Nigeria. Since P-Value actual is 0.022 which is less than 5% level of significance.

Table 9.0 shows that there was a positive linear relationship between business information and of landscape architectural MSE's in Nigeria. The current finding is in corroboration with that of Bridget (2004) who discovered that business information on new products and services encourage enterprise performance and development. This is positively related to

enterprise profitability and customer's satisfaction. Daroda (2007) and Bell (2008) noted that information technology and business networking is not only important to an entrepreneur but it is necessary for the enterprise to attain success and promote performance which the current study shares in the same direction. AILA (2009) concluded that information and communication technology, government incentives and market information are positively related to growth and performance of landscape architectural enterprise in America which the current finding concurs with.

Conclusion

The entrepreneurial resources variables studied it was discovered that human resources had influence but had insignificant relationship with performance of landscape architectural enterprises in Nigeria. This implies that human resources had no impact on the performance of landscape architectural MSE's in Nigeria. This may be due to the fact that most of the architectural firms do not invest much in human capital development. While financial resources and business information were discovered to have a positive significant relationship with the performance of landscape architectural MSE's. This denotes that the more the financial resources the more the enterprise improve its profitability, service delivery and improved customer's loyalty, when this is sustained the enterprise will grow and achieve competitive advantage. Finally, the study revealed that entrepreneur resources has a great impact on the performance of landscape architectural enterprises performance in Nigeria.

Recommendations

From the research study the following were recommended for improved landscaping enterprise services delivery in Nigeria:

- i. Founders of landscape architectural MSE's in Nigeria should established human resources development section in their organization, specifically for human capital development
- ii. Managers of landscape architectural firms should look forward on how to improve the funding systems of their organization, through financial institutions or government agencies.
- iii. Most architectural firms this days embraced the use of computers in drafting, but they should be able to communicate with other part of the world through networking for any business information to make them updated with the current technology in architectural services delivery for improved performance.

Reference

- Adams, O. (2010); Corporate Linkages and Organizational Environment: A test of the Resource Dependence Model". *Strategic Management Journal*, Vol.6, pp419 – 420.
- AILA, (2007), "American Institute of landscaping Architects Annual Report". *Journal of American Landscape Architects*. 5(26) 131 – 142.
- AILA, (2008), "American Institute of landscaping Architects an Annual Report" *Journal of American Landscape Architects*, 6(36) 93 – 14.
- Aliyu, M. (2008), "Entrepreneurship Development and Poverty Alleviation in Nigeria". Kaduna: Joycle Graphic Printers and Publishers.
- ARCON (2013), "Architects Registration Council of Nigeria". An Annual Report: Abuja: IJJP Publishers.
- Bell, J. (2012), "New firm: Societal Contribution and Society Potential". *Journal of Business Venting*, Vol.3 pp231 – 246.
- Bello, M. (2013), "Research Design in Occupational Education, Retrieved from www.okstat.edu/ag/agedcm4h/academic/age5980a/5980. On 12/11/2013.
- Bosmal, et'al (2010), "Firm Resources and Sustained Competitive Advantage". *Journal of Management*, Vol.7 pp99 – 120.
- Couper, R., & Schindler, P. (2009); *Business Research Method*, New Delhi: Tata McGraw-hill.
- Daroda, B. (2011), "Environmental Conservation:". Newyork: John Wiley and Sons.
- Ekweni, O. (2011), "A Resource – base Prediction of New Venture Survival and Growth". *Proceedings Academy of Management* pp113 – 119.
- Hornig, S. (2010), "Confirmed Entrepreneurship and Small Firm Growths". Stockholm: Stockholm School of Economics.
- Huselid, E. (2010); Entrepreneurship past Research and Future Challenges". *Journal of Management*, 2(26) pp.139 – 144.

- Kabir, W. (2009), "A Garden of Wild Flower Harlow". Storey Publishers.
- Kolslad, I., & Wiig, A. (2013), "Is it both what you know and who you know? Human Capital, Social Capital and Entrepreneurial Success". *Journal of International Development* 5/25 626 – 627.
- Mathy, E. (2005), "The Structural Influence of Entrepreneurial Leadership". *International Journal of Business and Development Studies*.
- Mazzarol, T. (2011), "The Influence of Size, Age Growth on Innovation Management in Small Firms". *International Journal Technology Management* 52(1) 98 – 116.
- McLeod, I. (2010), "Strategy, Structure, Personality and Performance of Small Firms". *American Journal of Small Businesses*, Vol. 10 pp.3 – 12.
- McClenland, D. (1961), "The Achieving Society". Princeton: NJ Van Nostrand.
- Okoro, C. (2013), "Research Methodology in Business and Social Sciences, Onitsha: Pacific College Press.
- Quadiri, O. (2010), "Perceived Causes of Success in a Small Business". *American Journal of Strategic Management*, Vol.2 pp.41 – 49
- Rinald, O. (2013), "Entrepreneurial Development in Nigeria". *International Journal of Management Studies*, Vol.3, pp. 32 – 44.
- Ryalment, E. (2009), "Landscape Elements and their Uses". Ibadan Longman Publishers.
- Sambo, D. (2015), "A Paradigm of Entrepreneurship" *Strategic Management Journal* 2(36), pp.17 – 28.
- Tom, H. (2009), "Using an Ecological Perspective Study of Organization". London: Jiwilly Publishers.
- Uji, Z. (2007), "New Direction in Architectural Education". Paper Presented at the Annual NIA Conference, Abuja September 12-15.
- Vesper, K. (2005), "New Venture Strategies". Eaglewood Chiffs: Nj Practice Hall

9

Technical and Vocational Education and Training (TVET) and the Challenges of Youth Unemployment in Nigeria

¹Diji, C.J, ²Adeniji, J.A, & ³Bassey Anam

¹Department of Mechanical Engineering
University of Ibadan, Ibadan;

²Lagos Metropolitan Transport Agency (LAMATA)

³ Institute of Public Policy & Administration, University of Calabar

Preamble

Youth unemployment is currently a major developmental challenge in Nigeria. It has become the source of sustained social and political instability, increased drug use and violence against women. However, Technical and Vocational Education and Training (TVET) has been identified as a major tool that can stem this ugly and dangerous trend. This study examined the link between TVET and youth unemployment in Nigeria; It assesses the current level and existing gaps between the desired and current levels of TVET in Nigeria with regards to youth unemployment and examines the specific roles that Open and Distance Learning (OPL) can play in improving the currently poor state of TVET in the country. The study concluded by proposing a TVET model that can stem youth unemployment in the country and sustain the development of TVET in the economic and social sectors of the Nigerian society.

Introduction

Youth unemployment is a major developmental challenge in Nigeria. The consequences of this unpleasant situation, is that it has become a source of sustained social and political instability, increased drug use and violence against women (Okafor, 2011). The major causes of youth unemployment include rapidly growing urban labour force; rapid population growth; mismatch in skills between those demanded by employers and those acquired in school; outdated school curricula and lack of employable skills; rapid expansion of the educational system ; and unequal economic growth (Adebayo, 1999; Ayinde, 2008; Awogbenle and Iwuamadi, 2010; and Utomi, 2011). According to Oyedokun (2010), of the over 40 million unemployed youths in Nigeria, 23 million are unemployable and therefore susceptible to crime, hence the need to articulate what could be done to salvage the situation.

The high rate of youth unemployment and its attendant vices can be handled effectively by Technical and Vocational Education and Training (TVET); and this fact has been recognized by many African countries and the international donor community (Wirth, 1972, McNabb, 1997). Technical education is that aspect of education which leads to the acquisition of skills as well as basic scientific knowledge, while vocational education is the practical instruction that gives learners specific occupational skills (UNEVOC, 1996 & Webster, 1993). TVET is concerned with the acquisition of skills and knowledge for employment and sustainable livelihood (Maclean & Wilson, 2009) and specifically gives individuals the skills to learn and become productive citizens and gives advancement in the work place (Oni, 2006).

The main objective of this study is to ascertain if there is a link between TVET and youth unemployment in Nigeria and the specific objectives are to assess the current performance level of TVET in relation to youth unemployment in Nigeria; identify any existing gaps between the desired and attained performance level of TVET, to ascertain the specific role that Open Distance Learning (OPL) can play in improving the current level of TVET and to suggest a TVET model that can sustain youth employment in the economic and social sectors.

Literature Review

Technical and Vocational Education in Nigeria

Ownership and Structure

The Nigerian National Policy on Education (FGN, 2004) described technical education as "aspect of educational process involving, in addition to general education, the study of technologies and related sciences which leads to the acquisition of practical and applied skills, attitudes, understanding and knowledge relating to occupations in various sectors of economic and social life, as well as basic scientific knowledge". The objectives of technical education were to:

1. Provide trained manpower in applied science, technology and commerce, particularly at Sub-professional grades;
2. Provide the technical knowledge and vocational skills necessary for agricultural, industrial, commercial and economic development;
3. Provide people who can apply scientific knowledge to the improvement and solution of environmental problems for the use and convenience of man;
4. Give an introduction to professional studies in engineering and other technology;
5. Give training and impart the necessary skills leading to the production of craftsmen, technicians and other skilled personnel who will be enterprising and self-reliant;

6. Enable young men and women to have an intelligent understanding of the increasing complexity of technology.

The implementing agency for the policy on TVET in Nigeria is the National Board for Technical Education (NBTE), which was established by FGN act 9 of January, 1977. The function of the board includes the accreditation of academic programmes in all TVET institutions and recommendation for the establishment of private polytechnics and monothechnics in Nigeria. Currently there are 412 approved tertiary technical institutions and technical colleges under the purview of the board with different ownership structure summarized in Table 1.

Table 1: Summary of Number, Type and Ownership of Polytechnics, Monothechnics and Technical Colleges in Nigeria

Institution Type	Ownership			Total
	Federal	State	Private	
Polytechnics	20	37	18	75
Monothechnics	18	13	-	31
Colleges of Agriculture				
Colleges of Health Technology	6	6	1	13
Other Specialized Institutions	13	-	5	18
Innovation Enterprise Institutions (IEIs)	1	1	78	80
Vocational Enterprise Institutions (VEIs)	1	1	10	12
Technical Colleges	19	152	3	174
Total	88	212	112	412

Technical and vocational institutions were designed largely to prepare technicians at occupational levels. Fakae (2005) asserted that the emphasis of technical education was on skill-acquisition and sound scientific knowledge, which gives ability to the use of hand and machine for the purpose of production, maintenance and self-reliant”.

Vocational Enterprise Institutions (VEIs) and Innovation Enterprise Institutions (IEIs) are principally private institutions that offer vocational, technical, technology or professional education and other skills-based, training at post basic (VEIs) and post-secondary (IEIs) levels, to equip our youth and working adults with employment skill and knowledge to meet the increasing demand for technical manpower by various sectors of the nation's economy (Muhammad, 2008).

Model of the Nigerian TVET

The Nigerian model of TVET is based on the On-the-job training model. This model is the oldest and most frequent (natural) type of technical and vocational education in all societies and, in its pure form, has the following features:

I. Organization of learning:

The trainee acquires skills in the enterprise by observing, imitating, joining in, assisting and trying, by informal imitation of what he or she sees. Working on real jobs in the enterprise makes immediate economic sense: The products which the trainee has helped to produce reach the market, and their quality is controlled by feedback provided by the demand for such products within the enterprise and at the workplace. The trainee's work is always practical, at all times related to real demand, and it provides the prerequisite for the trainee's future ability to earn a living. The trainee shares the communicative, social and ritual relations within the community of staff members, which has its own spirit and will influence the trainee's way of speaking, behaving and thinking.

ii. Mode of Certification.

Technical and vocational education is available for graduates of junior secondary school. A two-tier system of nationally certified programs is offered at science technical schools, leading to the award of National Technical/Commercial Certificates (NTC/NCC) and Advanced National Technical/Business Certificates. The lower level program lasts three years after Junior Secondary School and is considered by the Joint Admission and Matriculation Board as equivalent to the SSC. The Advanced program requires two years of pre-entry industrial work experience and one year of full-time study in addition to the NTT/NCC. The advanced degrees are typically considered equivalent to an undergraduate degree. All certificates are awarded by the National Business and Technical Examinations Board (NABTEB).

iii. Teaching Staff

The professionally competent master craftsman, the journeyman, the experienced coworker take over work tasks required by the market, negotiates with clients, with the customers' department or the job scheduling department in the enterprise, he passes on appropriate tasks to the trainee, he plans the work and work processes, in many cases he joins in the work himself, he instructs the trainee, e.g. by way of the four-stage method (preparation, demonstration, imitation, practice), he controls work progress and evaluates work results; in short, it is the teaching staff's task to make decisions, to give or refuse permission, to instruct, to assure, to evaluate results, to settle conflicts, etc.

Conceptual and theoretical framework

TVET systems vary from country to country and it looks very different in the nations of the organization of Economic Cooperation and Development (OECD) compared to developing countries in Africa. In OECD countries, TVET plays an important role in preparing people for productive livelihood and benefits from close communication and linkages with the private

sector and the educational system; substantial private – sector investment; industry – wide skill standards; a collaborative process of curriculum development for learning at schools and workplaces; high stakes exit exams leading to well – paid technical jobs; and deeply rooted industries, trade associations, and other intermediaries that bring the various stakeholders together to hold one another accountable and share the costs and benefits of training. In contrast, developing countries generally have few, if any, of the conditions found in the OECD nations. Most of them have scant history of collaboration among or between employers and education providers; indeed most developing countries lack a strong and well – organized private sector.

Effective approaches to TVET vary significantly from country to country and to better understand what works, the United States Agency for International Development (USAID) commissioned a consulting organization EDC to conduct a 2-year, 20-country study (1995–1997) on best practices in workforce development and TVET (EQUIP3, 2012). The study concluded that the most effective programs shared nine characteristics: leadership and accountability; Demand – driven design; open access; Portable skills; continuous improvement; public – private partnership; sustainable financing; Replicability; and economic and social impact of the programme or system. These nine criteria will be used to evaluate TVET in Nigeria in relation to youth unemployment in the country.

Results and Discussion

Enrolment

In the National policy on Education (1977) it was envisaged that students who complete junior secondary schools are streamed as much as possible into senior secondary schools, technical colleges, vocational training centres or apprenticeship schemes in the ratio of 60%, 20%, 10% and 10% respectively. However, from the data shown in Table 2, it is obvious that while there was a rapid expansion in basic and general secondary education in the two decades (1980 – 2000), enrolment in vocational and technical education was shrinking. The situation is no different at the post – secondary level, because as shown in Table 3, there is high attrition ratio (about 50%) between enrolment and output of graduates of monothechnics and polytechnics.

Also, at the current basic education annual turnover rate of about 4 million, expected enrollment in technical colleges in the 2009/2010 session was 74,299 students, this however compares unfavourable with the expected 800,000 enrollments. This shows clearly that technical colleges are only able to enroll barely about 9.3% of their target (NBTE, 2011)

Teaching Capacity for TVET in Nigeria

The teaching capacity for TVET in Nigeria is very low for several reasons. Firstly there is unhealthy perception or discrimination against technical graduates compared to their counterparts in the university, because parents and employers of labour perceived TVET as a second rate education to underachieving students with low aptitude and serves as a holding area for students waiting for university spaces. This perception is further reinforced by the method of training TVET graduates, which is not linked to the demands of the labour market, leading to graduates of TVET finding that their new skills were outdated or in low demand leading to unemployment or underemployment. This attitude has also severely affected scholarship in technical education at the University level. Evidence shows (Table 4) that many Universities with technical education departments have very few academic staff with PhD, the minimum qualification for teaching in the university.

Table 2: Enrolment in Vocational and Technical institutions and Secondary Schools (1991 – 2001)

YEAR	No. of Secondary Schools	Enrolment	No. of Technical colleges	Enrolment
1991	3,854	1,653,891	208	46,083
1992	5,840	1,814,000	202	40,878
1993	5,948	1,865,189	190	72,136
1994	6,092	2,794,498	300	72,136
1995	5,991	2,934,349	240	76,434
1996	5,859	2,941,781	252	89,536
1997	6,001	2,923,791	261	1,179
1998	5,860	2,901,993	261	1,426
1999	6,008	3,123,277	261	1,425
2000	6,009	3,600,204	261	1,835
2001	5,959	4,032,083	261	1835

Source: Dike (2009)

Table 3: Enrolment and Output for Polytechnics and Monothechnics (2005 – 2010)

YEAR	PROGRAMME	MONOTHECNICS		POLYTECNICS	
		Enrolment	Output	Enrolment	Output
2005/2006	ND	11,459	5,999	143,035	50,432
	HND	4,937	2,998	48,216	16,094
2006/2007	ND	3,017	340	109,211	66,257
	HND	1,538	2,034	58,174	28,909
2007/2008	ND	8,663	3,402	95,299	35,795
	HND	4,549	1,980	58,537	23,993
2008/2009	ND	10,392	3,015	90,571	29,725
	HND	4,942	1,779	57,244	16,267
2009/2010	ND	7,428	3,032	97,963	13,276
	HND	4,196	1,952	53,940	8,891

Source: National Bureau of Statistics (2010)

Thus it is obvious that youth unemployment is growing because of low enrolment and low teaching capacity of TVET schools in Nigeria. This is because many of the employability skills that most youth would have acquired have been lost due to lack of exposure to TVET training. This can be further collaborated when compared with other countries where enrolment in TVET amongst youths is very high. According to Abdul-Wahab (2010), in the United Kingdom, 66% of those in secondary and higher education are in TVE; In France, it is 65% and Germany 72%. Singapore and South Korea moved to 92 and over 50%, respectively. In Bahrain, more than 55% of secondary school students are enrolled in technical colleges. The Middle East has a target of 50%.

Table 4: Relative Percentage of Academic Staff with PhD in Technical Education across Southern Nigerian University (2010)

S/N	Name of University	Course Areas				No. of PhD Holders	%
		Building/wood work	Electrical/Electronics	Metal/auto mechanics	Total		
1.	Nnamdi Azikiwe University, Akwa	5	4	4	13	2	8
2.	University of Benin, Benin – City	5	4	6	15	2	8
3.	University of Nigeria, Nsukka	6	4	5	15	5	21
4.	Ambrose Alli University, Ekpoma	6	4	3	13	1	5
5.	University of Uyo, Uyo	3	5	5	13	3	13
6.	Delta State University, Abraka	5	4	4	13	2	8
7.	Enugu State Univer. of Sc & Tech	5	4	3	12	2	8
8.	Rivers State Univer. Of Sc & Tech	5	3	5	13	2	8
9.	Ebonyi State University, Abakaliki	4	5	4	13	2	8
10.	Rivers State Univer. of Education	8	6	14	22	3	13
	Tota l	52	43	53	148	24	100

Source; Ojimba (2012)

Government Intervention – National Vocational Qualification Framework for Nigeria (NVQF)

The NVQF is government latest intervention in turning around TVET and stemming youth unemployment in Nigeria. It is an instrument for the development, classification and recognition of skills, knowledge and competences acquired both formally and informally. The framework is based on nationally – validated and certification system developed by a national steering committee of the NBTE which submitted its report in August 2011 and was approved by the Federal executive council in April 2013. The NVQF framework which is similar to those operational among developed and developing countries (Germany, UK, Ghana, and South Africa) is expected to recognize, integrate and certify the huge skills of the informal sector through its system of certification and involves the institutionalization of a six – level vocational qualification framework for the country. It is hoped that the lofty objectives of the NVQF will be accomplished at the implementation phase of the framework.

The Role of Open and Distance Learning (ODL) in Revamping TVET in Nigeria

Curiously, the proposed NVDF does not consider ODL a veritable tool that can be applied in revamping TVET in Nigeria. This in our opinion will limit the access, scope and enrolment for TVET in Nigeria. This is because over the past decades, there has been a noticeable growth in ODL as evident by increased enrollment in ODL institutions (Cavanaugh, 2005 and Fozder & Kumar, 2006). ODL institutions are not only imparting education as an alternative to the formal system, but also in areas such as TVET and even in high technology based education (UNESCO, 2002; Bourne et al, 2005 and Mehrotha & Sacheli, 2005).

ODL in TVET has much to offer the world of work because it is responsive, flexible, promotes independent learning, and can be set up in a way that fosters teamwork as well as individual achievement and the immediate transfer of skills in the work place.

Proposed Model for TVET Education in Nigeria.

Based on the foregoing the study proposes a model for TVET education in Nigeria (Figure 1). Six major factors have been identified by the study as factors that will drive the revamping and development of TVET in Nigeria. These factors are: manpower development; demand – driven design; ODL; effective implementation of NVTF; Skill harmonization and Effective management.

As shown in Table 4 there is an urgent need to build teaching capacity to impact skills and knowledge in technical and higher technical schools; also there is a need by the NBTE to conduct a need assessment of the skills and competences in dire straight and to focus training in filling this gaps. The use of ODL to improve enrolment and broaden the skill of trainees cannot be overemphasized and must be taken into consideration in developing the TVET in Nigeria. There is also need to harmonize the skill acquired by trainees to include business and entrepreneurial skill to create new enterprises and encourage self-employment. The failure of most programmes in Nigeria is not at the design but at the implementation phase, the NBTE must effectively implement the NVTF by introducing effective monitoring and evaluation. The NBTE should also provide proper leadership and governance by effective managing the revamping process of TVET in Nigeria.

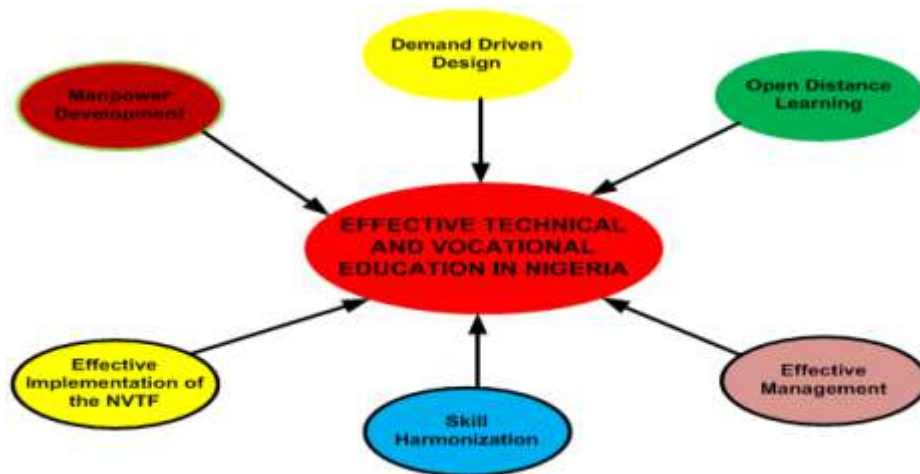


Figure 1: Proposed model for Developing TVET in Nigeria

Summary and Conclusion

The paper has examined the problem of youth unemployment in Nigeria and concludes that the collapse of the TVET institution is a contributory factor amongst various other economic and social factors. The paper concludes by proposing a model based on six major factors as an effective model for revamping and developing TVET in Nigeria.

References

- Abdul-Wahab, H. (2010). Reported by Olatunji, B. Nigeria: 'No Economy Can Function Without Technical, Vocational Education. ThisDay Newspaper. Retrieved from <http://www.allafrica.com/stories/201003030484.html> (October 1, 2012)
- Adebayo A (1999). Youth Unemployment and National Directorate of Employment Self Employment Programmes. *Econ And Soc. Stud.* 41(1): 81-102.
- Aring, M; DePieto – Jurand, R; Chervin, N; and Hershkowitz, A (2012) "Technical and Vocational Education and Training" Produced by Educational Development Center inc.
- Awogbenle, A.C. and Iwuamadi, K.C. (2010) Youth Unemployment: Entrepreneurship Development Programme as an Intervention Mechanism, *African Journal of Business Management*, Vol. 4, No. 6, pp. 831-835.
- Ayinde OE (2008) Empirical Analysis of Agricultural Growth and Unemployment in Nigeria. *Afr. J. Agric. Res.* 3(7):465-468.
- Bourne, J., Harris, D. & Mayadas, F. (2005). Online engineering education: learning anywhere anytime, *Journal of Asynchronous Learning Networks*, 9(1). Available online at www.sloanc.org/publications/jaln/u9n1/v9n1_bourne.asp (accessed 1 January 2008).
- Cavanaugh, J.K. (2005) Are online courses cannibalizing students from existing course? *Journal of Asynchronous Learning Network*, 9(3). Available online at http://www.sloanc.org/publications/jaln/v9n3/v9n3_cavanaugh.asp (accessed 1 January 2008).
- Dike V.E (2009) Addressing Youth Unemployment and poverty in Nigeria. *Journal for sustainable Development in Africa*. Vol. 11 N0.3 ISSN 1520-5509
- Fakae, D. B. (2005), Technical Education: An Overview of the Learning Process Building of Workshop for Lecturers of Polytechnics and Monotechnics in Nigeria for Higher Competence and Productivity Education Trust Fund.
- Federal Republic of Nigeria (2004) National policy on education Abuja: Federal Ministry of Information.

- Fozdar, B.I. & Kumar, L.S. (2006). Teaching chemistry at Indira Gandhi National Open University. Turkish Online Journal of Distance Education (TOJDE), 7(2), pp. 80-89.
- Okafor E.E (2011) Youth Unemployment and implications for stability of Democracy in Nigeria. Journal of sustainable Development in Africa Vo. 13 No 1 ISSN: 1520-5509.
- Oni, C.S (2006) "Vocationalism in Nigerian Education" Journal of Social Science 12(2): 147 – 150.
- Ojimba, D.P (2012) Vocational and Technical Education in Nigeria: issues, Problems and Prospects. Journal of Educational and Social research Vol 2(9) ISSN 2239-978X
- Muhammad, A.D.K (2008) Polytechnic Sector under the current education reform. A Paper presented the 1st National conference organized by Kano State Polytechnic
- UNEVOC (1996) Establishing partnership in Technical and Vocational Education. A seminar for key personnel from Africa and Asia. Berlin Germany 02-12 May 1995.
- UNESCO (2002) revisiting technical and Vocational education and training in sub – Saharan Africa. Paris: UNESCO.

Effects of Social Performance of Microfinance Banks on Services to Small and Medium Enterprises In Nigeria

1John Nma Aliu 2Prof. Roslyn W. Gakure & 8Dr. George Oruwa

1Department of Banking and Finance,
Kaduna Polytechnic, Kaduna, Nigeria

2&3Jomo Kenyatta University of Agriculture and Tech. (JKUAT)

Introduction

The Central bank of Nigeria (CBN) policy framework establishing microfinance banks was primarily targeted at creating an environment of business inclusion to boost the capacity of Small and Medium Enterprises (SMEs). Previous studies have produced mixed results with regards to the impact of microfinance banks services to SMEs. It is these mixed conclusions that necessitate the need to carry out a study to establish the influence of microfinance bank's social performance on services rendered to SMEs in Nigeria. Descriptive survey research design was employed. The study used regression analysis to test the statistical significance of the independent variables (skills development and literacy training) on the dependent variable of services to SMEs. The data for this study was collected using questionnaire for primary data. One hundred and fifty questionnaires were issued to randomly selected microfinance banks in Kaduna and Kano state. One hundred and thirty two questionnaires, representing 88% were duly completed and returned. The significance test showed that the relationship between social performance and services to SMEs was statistically significant. The study recommends that the management of Microfinance banks should pursue a strategy that will enhance the delivery of social services, such as, skills development and literacy training to the SMEs clients and other government should provide incentives to the microfinance banks that will facilitate efficient social service delivery to the SMEs in Nigeria.

Background to the Study

The impact of Social Services provided by Micro Finance Institutions (MFIs) seems unequally dispersed among countries. Some MFIs have become very significant in size and render a variety of services to Small and Medium Enterprises (SMEs) clients, like the Grameen Bank in Bangladesh. or BR in Indonesia, while other MFIs remain small or even cease to exist (Cicea

and Hincu, 2009). The governance of an MFI plays a major role in ensuring that the institution keep to its mission of serving Small and Medium Enterprises (SMEs) and other clients (Klapper and Love, 2004 Moauro and Spaggiari, 2011). Good corporate governance in MFIs is expected to underpin effective and efficient social performance within firms (Waithaka, Gakure and Wanjau, 2013). A study in Ghana and South Africa on SMEs Development by Abor and Quartey (2010) also emphasized the vital roles of MFIs.

An important mechanism of governance is the quality of the board of directors. Accordingly, leadership characteristics of MFIs have great impact on their performance (Waithaka, Gakure and Wanjau, 2013). The main goal of a Microfinance bank (MBF) is to operate profitably in order to maintain its stability and improve performance and sustainability (CGAP, 1999). However, existence of high levels of loan delinquency problem in microfinance industry in most countries negatively affect the level of social services to SMEs (Cristiana, 2008).

The financial sector in Turkey is traditionally dominated by microfinance activities, and the industry experienced several systemic crises in the 1990s (Mordy, 2010). Turkey weathered the financial crisis far better than many countries, As a result of strong corporate governance culture in the banking sector, Turkey's Gross Domestic Product (GDP) increased from \$230 billion in 2002 to \$740 billion in 2008 (Sanusi, 2010). In addition, Turkey's national deficit fell by 40% in the first few months of 2010. Good corporate governance promotes goodwill and confidence in the financial system. Studies by Wu, Lin & Lare (2010) showed that good corporate governance leads to increased valuation, higher profit levels, increased sales growth and lower capital expenditure. This view was supported by Lam, Tin and Lee (2008).

However, systemic crisis surfaced in the Nigerian Microfinance banking Sector in the mid-1990s and 2000s (Mordy, 2010). Sanusi (2010) observed that the Nigerian microfinance banking crisis situation was the manifestation of a complex state of inter-related corporate governance problems including a weak policy environment, capital and management inadequacies and economic down-turn. Sanusi (2010) observed that the banking sector in Nigeria has evolved in five stages. The first stage was the pre-existence of the Central Bank of Nigeria (1930-1959), during which several poorly-capitalized and unsupervised indigenous banks failed in their infancy. The second stage was the control regime (1960-1985), during which the Central Bank of Nigeria (CBN) ensured that only "fit and proper" persons were granted license, subject to the prescribed minimum paid up capital and in line with the provisions of Banking Act (Mordy, 2010). The third stage was the post Structural Adjustment Programme (SAP) or de-control regime (1986- 2004), during which the liberal philosophy of "free entry" was over stretched. This period marked the beginning of formal micro-finance banking (community banks) in Nigeria (Sanusi-2010). The fourth stage was the era of

banking consolidation (2004 to 2009) with emphasis on recapitalization. The fifth stage is the post-consolidation era of reforms hinged on proactive risk management and corporate governance best practices.

The creation of Micro-Finance Banks (MFBs) in 2005 in Nigeria marked the beginning of the transformation of Community Banks (CBs) which had been in existence since 1990. The report sheet for 334 community banks whose operations were analyzed by December, 1992 revealed the total assets was N98 1 million, total deposit mobilization was N640 million, loans advances amounted to N150 million while gross earnings was N107 million (NDIC 2010). Central Bank of Nigerian CBN (2011) also reported that a total of N205 million was realized as aggregate gross earnings by 435 community banks out of 753 community banks that were fully operational 1994.

However, by 2005 many of the community banks had become distressed as a result of weak capital base, insider abuses and large amount of non-performing loans among other factors (Folake, 2005). This state of affairs led to the creation of present day Microfinance Banks (MFBs). According to Central Bank of Nigeria (CBN, 2011), weak corporate governance practices in microfinance banks (MFBs) in Nigeria resulted in the liquidation of 84 MFBs as at 2010. The total deposit liabilities of these 84 MFBs as at 2010 was N8.999 billion for 668,214 depositors (NDIC, 2010). The total deposit liabilities comprised insured sum of N4.467 billion and uninsured amount of N4.53 1 billion. Such is the negative consequences of weak corporate governance practices in the MFBs sector.

Objectives of the Study

The objective of this study was to investigate the effects of social performance of Microfinance Banks (MFBs) on the services to Small and Medium Enterprises (SMEs) in Nigeria. Specifically, the study sought to:

1. Ascertain if the MFB's Skills Development Practices Influence the services to SMEs
2. Determine whether MFB's Literacy training programmes have effects on services to SMEs

Research Hypothesis

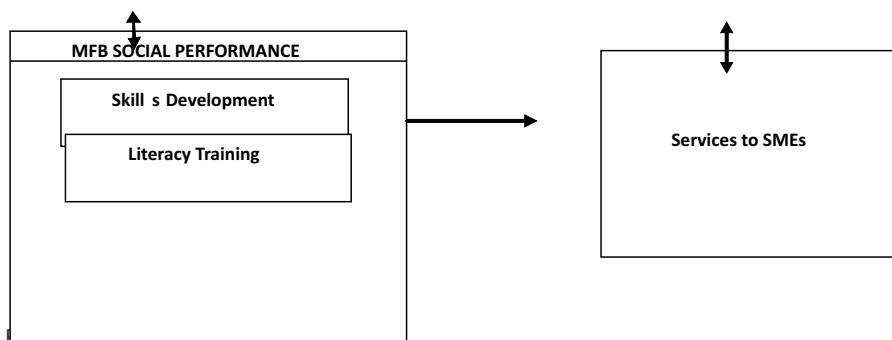
H1 There is no relationship between skills development practices in Microfinance Banks and Services to SMEs

H2. There is no relationship between Literacy training programmes in Microfinance banks and Service to SMEs

The conceptual framework diagram (figure 1.0) demonstrates the theoretical relationship between the independent variables (Social Performance) and the services to SMEs in Nigeria.

Independent variables

Dependent variable



Study Methodology

The study examined the effects of social performance functions of Microfinance banks on their services to SMEs in Nigeria. fifty Microfinance banks in Kaduna and kano States were sampled for data collection. In addition to interviews and observation, questionnaires were designed and used as instrument for data collection. The data was analyzed using both descriptive and inferential statistics. A total of 150 questionnaires were administered out of which 132 were successfully returned – this represents 88% response rate.

Social Intermediation Performance

According to Christopher (2010); social intermediation can be understood as the process of building the human and social capital required for sustainable financial intermediation with the SMEs. Successful financial intermediation is often accompanied by social intermediation (Von Pischke, 1991).

- i. Skills development: This involve motivation which is the creation of stimuli, incentives and working environment that enable people to perform to the best of their ability (Chartered Management Institute, 2006). According to Kets de Vries (2001), the best performing microfinance banks are those that possess a set of values that creates the right conditions for higher performance and skills developments Armstrong (2007) also observed that motivation relates to factors that influence people to behave in certain ways.
- ii. Literacy Training: This is a major area of human resource management function that is very relevant to effective management and use of people (Mullins,

2000). According to Drucker (1977), the one contribution that a manager is distinctively expected to make is to give others vision and ability to perform. Microfinance Banks can use financials literacy training programmes to attract more clients from the SMEs.

In a study on the effects of leadership characteristics on MFIs Social Performance in Kenya, Waithaka, Gakure & Wanjau (2013), found that there is a strong relationship between board size, CEO non-duality CEO experience on one hand and the social performance in MFIs. The situation in Nigerian MFB sector is not too different as can be seen in the results of this study.

Results and Discussions

Table 1.0 shows that 120 (91%) of the respondents revealed that the microfinance banks (MFBs) do not provide skills development services to members of their host community. Only 9% (n=12) of the respondents indicated that the MFBs provide such services to their host community. In response to the question on the degree to which provision of skills development programmes can enhance services to the SMEs, 83% (n=10) of the respondents who indicated that such services do exist in MFBs believed that, it has greatly facilitated improved service delivery to the SMEs. Only 17% (n=2) of those respondents were of the view that skills development functions of the MFBs had no significant value addition in services to SMEs. On the extent of negative effect of lack of skills development programmes by the MFBs on their services to SMEs in Nigeria, a vast majority of the respondents (82%) agreed that this had greatly hampered service rendition to SMEs clients. Only 18% believed that the negative effect was only mild.

Table 1.0: Effect of Skills Development Programmes in MFBs on Services to SMEs

Does your bank provide skills development services for members of the community?	No	120	91%
	Yes	12	9%
If yes, how did these facilitate provision of services to the SMEs?	Greatly	10	83%
	Mildly	2	17%
If no, how did this affect service provision to SMEs clients by MFBs?	Greatly	98	82%
	Mildly	22	18%

Beyond the provision of financial services, microfinance banks are also expected to provide social or non-financial services that focused on the well-being of micro-entrepreneurs and operators of SMEs (Oladeji, 2001). The social intermediation service on skills development are offered by MFBs as a means of improving the ability of its clients to utilize financial services (Folake, 2005). This assertion was corroborated by a study on imperative of Good banking habits for successful Small Scale Industrial Development by Ogubunka (2010)

The findings from this study on very limited skills development service provision by the MFBs in Nigeria is consistent with results of studies carried out by Osotimehin, Jegede and Charles (2011) which revealed that microfinance banks' outreach services in South Western Nigerian remained unsatisfactory. A study on the performance of Ten Microfinance Institutions in Nigeria by Folake (2005) also indicated that social performance service function by Microfinance Institutions is limited. It can be deduced that providing effective financial services to small enterprises requires social intermediation and enterprise development services such as skills development, provision of social services such as health care and education.

Microfinance banks in Nigeria can make use of strategies adopted in Canada, where Ledgerwood (1999) reports that the Association for the Development of Microenterprises (ADEMI) provides technical assistance to small enterprises in addition to credit delivery services.

Table 1.1 shows that an overwhelming majority of the respondents were of the view that microfinance banks do not have financial literacy training policy for their clients. Ninety one percent (91%) of the respondents (n=120) indicated that their banks do not have financial literacy training policy. Only 9% (n=12) of the respondents claimed that financial literacy training policy exist in their microfinance banks.

Furthermore, ten (10) out of 12 respondents (that is 83%) agreed that the existence of such policy did enhance the MFB's service rendition to their SMEs clients. Only 17% of those respondents claimed otherwise. The respondents who were of the view that such training policy did not exist in their banks, overwhelmingly believed that this had negative effect on service rendition to SMEs client. Ninety (90%) percent of those respondents indicated that non-existence of financial literacy programme greatly affected MFBs' services to the SMEs client. Only 10% (n=12) felt that the negative effect was mild. With a mean of 1.1667 and standard deviation of 0.38925, respondents in table 1.2 indicate that Financial Literacy Training has greatly enhanced the MFB services to SMEs. Similarly, results is recorded by respondents who believe that absence of such training policy had greatly affected the services to SMEs.

Table 1.1: Effect of Literacy Training by MFBs on Services to SMEs

Does your bank have financial literacy training policy for its clients?	No	120	91%
	Yes	12	9%
If yes, how did this enhanced the bank services to the SMEs clients?	Greatly	10	83%
	Mildly	2	17%
If No, how did this affected the banks services rendition to the SMEs clients?	Greatly	108	90%
	Mildly	12	10%

Table 1.2: Responses on Social Performance

Items	Responses	Frequency counts	N	Mean	Standard Deviation	Remarks
Does your bank provide skills development services for SMEs clients?	No	120	132	0.0909	0.28857	No
	Yes	12				
If yes, how did this facilitate provision of services to the SMEs?	Greatly	10	12	1.1667	0.38925	Greatly
	Mild	2				
Does your bank have financial literacy training policy for its clients?	No	120	132	0.0909	0.28857	No
	Yes	12				
If yes, how did this enhance the bank's services to the SMEs clients?	Greatly	10	12	1.1667	0.38925	Greatly
	Mildly	12				
If no, how did this affect the bank's service rendition to the SMEs clients?	Greatly	108	120	1.1000	0.30126	Greatly
	Mildly	12				

According to Paxton (2006), a World Bank survey that examined the array of financial and non financial services offered by more than 200 Microfinance Institutions around the world revealed that non-governmental organizations were more active than microfinance institutions in providing financial literacy training to their clients. The finding corroborates with the results of this study. Therefore, the limited service provision by MFBs on financial literacy and even group formations' is not a Nigerian phenomenon alone.

However, Schreiner (2002) believed that offering outreach financial training programmes by MFIs had great social benefits to both the clients and MFBs. Ledgerwood (1999) also asserts that provision of such financial literacy service will eliminate social isolation, enhanced self-confidence and promote entrepreneurial experience. Since the goal of microfinance is to reduce poverty and promote enterprise growth, then the SMEs need more than financial credit alone. They need educational services that specifically address these obstacles and that provide a framework for solutions. A study by Ukeje (2005) on poverty reduction through microfinance in Uganda indicated that direct services in the area of business skills training and financial literacy require sensitive attention by the operators of microfinance institutions. In Kenya, a study by Waithaka, Gakure and Wanjau (2013) on the effects of leadership characteristics on social performance among MFIs found that there is a strong positive

association between board size, CEO non-duality and CEO experience with an MFI's social performance. The results also suggested that MFIs that separated the role of the CEO from the board chair have better social performance scores. In Nigeria, literature indicated that CEO duality in practice is real, while recruitment policy of hiring only qualified and experience CEOs are often compromised (Sanusi, 2010). These had severe negative consequences on the delivery of social intermediation services by the MFBs.

It can be inferred that literacy training for clients by MFBs is crucially important in building mutually beneficial relationship between the MFBs and SMEs clients. Since the goal of microfinance is to reduce poverty and promote enterprise growth, then the SMEs deserve more than financial services alone.

The findings on table 1.3 revealed that the association between the independent variable (Literacy training, skill development) and dependent variable (MFBs service to SMEs) in 0.663, which implies a strong relationship between the variables. The R² which is 0.440 from the table indicate that 44% of the variability present in the depend variable has been explained by the independent variable (Literacy training, skill development)

Table 1.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 ^a	.440	.431	.56125

a. Predictors: (Constant), Literacy training, Skills development

In the ANOVA Table 1.4 depict that the model service to SMEs = $-0.255 + 0.099 \times \text{skills development} + 2.377 \times \text{literacy training}$, is statistically significant since the p-value (0.00) from the table is less than 0.05 chosen level of significance

Table 1.4: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.926	2	15.963	50.676	.000 ^b
	Residual	40.635	129	.315		
	Total	72.561	131			

a. Dependent Variable: Department

b. Predictors: (Constant), Literacy training, Skills development

Table 1.5: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	-.255	.193		-1.317	.190
	Skills development	.099	.206	.043	.482	.631
	Literacy training	2.377	.337	.633	7.048	.000

a. Dependent Variable: Department

The researcher then proceeded to analyze the sub-variable independently.

Conclusion

In conclusion, although skills development is an essential part of microfinance banks services to clients, limited provision of this service as found in this study has a negative consequence on service rendition impact of MFBs in Nigeria. Little attention accorded to social service provision by the MFBs can be counter-productive. Microfinance Banks (MFBs) in Nigeria can improve their social performance status by providing literacy training programmes for SMEs clients. This studies finding also revealed that the association between the independent variables (literacy training, skills development) and the dependent variable (service to SMEs) is 0.663. This implies a strong relationship between the variables. The R² which is 0.440 indicate that 44% of the variability present in the dependent variable is explained by both literacy training and skills development. Microfinance banks in Nigeria will improve their social performance services to SMEs if they focus attention to financial literacy training programmes.

Recommendations

The process of building the human and social capital required by sustainable financial intermediation services to the SMEs is very vital. To this end, MFBs should increase the level of other services as a means of improving the ability of the SMEs clients to utilize financial services. MFBs should strive to reach sustainability by ensuring that the social services offered meet the demand of SMEs clients. Provision of skills development and financial literacy training services will also motivate the SMEs clients to keep proper accounting records and repay loans on or before due dates. The Nigerian Government should provide infrastructural facilities, such as, electricity that will enhance social services provision by the MFBs.

References

- Abor, J. & Quartey, P., (2010). Issues in SME Development in Ghana and South Africa. International Research Journal of Finance and Economics ISSN 1450-2887 Issue 39, Euro Journals Publishing, Inc.
- Central Bank of Nigeria (2011). Microfinance Policy, Regulatory and Supervisory Framework for Nigeria.
- Christopher I.F (2010). Impact of Microfinance on Small and Medium Sized Enterprises in Nigeria, Wyhan P.R China
- Cicea, C., & Hincu, D. (2009). Performance Evaluation Methods in Commercial Banks and Associated Risks for Managing Assets and Liabilities. Communications of the IBIMA Volume 7,2009 ISSN:1943-7765
- CGAP (1999), "External Audits of Microfinance Institutions: A Handbook" Technical Tools Series, No. 3, Wash
- Cristina, B. A., (2008) "The Approaches of fraud from Internal Audits Point of View", International Journal of Business Research, 8(2)
- Folake A.F (2005). "Microfinance as a Policy Tool for Poverty Alleviation: A Study of the Performance of Ten Microfinance Institutions in Nigeria". Morgan State University, USA
- Klapper, L. & I. Love (2004), "Corporate Governance, Investor Protection and Performance in Emerging Markets", Journal of Corporate Finance Volume 10, Pg. 703-728
- Lam, Tin Yian and Shu Kam Lee (2008), "CEO Duality and Firm Performance: Evidence from Hong Kong," Corporate Governance, Volume 8, Issue 3, Pg. 299-316
- Ledgerwood J. (1999). "Microfinance Handbook on Sustainable banking with the poor: An Institutional and Financial Perspective". The World Bank Washington. D.C.
- Mordi F. (2010) Manufacturers, CBN Disagree on Causes of SMEs Stunted Growth, Financial Standard, Millennium Harvest Ltd, Lagos

- Ogubunka U.M (2010). Imperatives of Good Banking Habits for Successful Small Scale Industrial Operations: A Paper Presented at the National Summit on Sustainable Industrial Development; Organized by NASSI, Abuja.
- Osotimehin K.O., Jegede, Charles A. "Determinants of Microfinance Outreach in South Western Nigeria: An Empirical Analysis" Int. Journal of Management and Business Studies Vol. (1) pp. 001-007, Dec. 2011
- Sanusi, L.S. (2010) "The Nigerian Banking Industry: What Went Wrong in the Banking System in Nigeria" (August) Lagos
- Waithaka S.M; Gakure R.W; & Wanjau K. (2013). The Effects of Leadership Characteristics on Microfinance Institutions Social Performance in Kenya Nairobi, Kenya
- Wu, M.C, Lin H; Lin I. & Lare (2010). The Effects of Corporate Governance on Firm Performance, National Changhua University of Education, Taiwan China

11

Unemployment and the Role of Practical-based Entrepreneurship Training: Evidence from Selected Successful Entrepreneurs

¹Kabuoh, Margret Nma, ²Ogbonna Ifeanyi ³Tonade, Abiola M.A

¹Business Administration & Marketing Department
Babcock University Shagamu, Ogun State -Nigeria

²Department of Business Administration
Yaba College of Technology-Lagos.

Preamble

Many nations are facing economic downturn with attendant increasing rate of unemployment. As a result, many companies are downsizing especially with the widespread use of information and communication technology. In the light of this, to stem the tide, many nations have recognized the need for their citizens to possess entrepreneurial skills. They have advocated that all students become inclined to entrepreneurial training and have, therefore, devoted large resources towards the training of youths in vocations and technical skills. This paper used secondary data and practical experiences of some renowned successful entrepreneurs who have excelled outside the four-walls of a university despite their challenges. The findings reveal that academic certificate is not a guarantee for a job and neither is it a meal ticket but a preparation for how students would behave, interact, reason well and face future life challenges. The paper recommends the need for a complete overhaul of programmes and courses being run by Nigerian universities so that they could be in tune with the nation's current economic reality.

Introduction

After a successful completion of a tertiary education, the current economic reality in many countries is that graduates do not get jobs immediately despite having a good class of degree. The unemployed multitudes that have no entrepreneurial training apart from university education are left to roam the streets searching endlessly for scarce white-collar jobs. Many nations are facing economic downturn with attendant increasing rate of unemployment.

As a result, many companies are downsizing especially with the widespread use of information and communication technology. In the light of this, to stem the tide, many nations have recognized the need for the citizens to possess entrepreneurial skills. They have advocated that all students become inclined to entrepreneurial training and have, therefore devoted large resources towards the training of youths in vocations and technical skills.

Entrepreneurship training is an important solution to the employment difficulty of university graduates by guiding them to organize a new business venture. Entrepreneurship can be regarded as an “employmentdilator”, helping people to get self-employed. Therefore, the primary objective of this paper is to investigate how practical - based–entrepreneurial training could reduce the rate of unemployment in Nigeria.

Literature Review

Unemployment Overview

Unemployment, according to Wikipedia, occurs when people are without work and actively seeking work. The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labour force. During the periods of recession, an economy usually experiences a relatively high unemployment rate. According to International LabourOrganisation(ILO), more than 197 million people globally were out of work or six percent of the world's workforce was without a job in 2012.

Unemployment is one of the most critical socio-economic problems facing Nigeria. According to the National Bureau of Statistics(NBS) the unemployment rate in Nigeria increased to 23.90 percent in 2011 from 21.10percent in 2010 while the unemployment rate averaged 14.60 percent from 2006 until 2011, reaching an all time high of 23.90 percent in 2006 and also projected to be 30percent in 2014. Further classifying unemployment in the country, the NBS said the 23.9 percent unemployed Nigerians translates to about 40millions population of the country. Youth unemployment by age group (15-24years) rose from 30.2 percent in 2008 to 41.6 percent in 2009 and declined to 37.7 percent in 2011; while age group (25-34 years) rose from 15.7 percent to 17percent and 22.4 percent within same period. Even more frightening is graduate unemployment, which is put at over 60percent. This has grave implications for the security and well being of the country.

Table 1: Unemployment trend in Nigeria

2010	21.1 Per cent
2011	23.9 Per cent
2012	24.3 Per cent
2013	29.5 per cent
2014	30% Projection

Source: NBS 2014

Table 2: Unemployment Rate by States 2007-2011

STATE	2007	2008	2009	2010	2011
Abia	25.1	11.9	14.5	22.8	11.2
Adamawa	21.5	13.5	29.4	24.6	33.8
Akwa-Ibom	18.0	11.1	34.1	27.7	18.4
Anambra	14.9	7.3	16.8	10.8	12.2
Bauchi	20.5	6.9	37.2	27	41.4
Bayelsa	21.9	67.4	41.5	27.4	23.9
Benue	7.9	7.8	8.5	6	14.2
Borno	12.5	11.8	27.7	26.7	29.1
Cross River	32.8	18.9	14.3	27.9	18.2
Delta	22.9	11.5	18.4	27.9	18.2
Ebonyi	7.9	5.1	12	25.1	23.1
Edo	14.8	15.6	12.2	27.9	35.2
Ekiti	11.4	11.5	20.6	28	12.1
Enugu	14.1	10.5	14.9	28	25.2
Gombe	16.9	7.6	32.1	27.2	38.7
Imo	28.3	17.4	20.8	28.1	26.1
Jigawa	27.0	5.9	26.5	14.3	35.9
Kaduna	8.7	12.7	11.6	12.4	30.3
Kano	10.1	5.8	27.6	14.7	21.3
Katsina	10.9	11.8	37.3	11	28.1
Kebbi	1.3	16.5	12	10.7	25.3
Kogi	14.6	16.4	19	9.5	14.4
Kwara	17.7	10.2	11	2.7	7.1
Lagos	13.7	7.6	19.5	27.6	8.3
Nassarawa	11.8	17	10.1	3.4	36.5
Niger	4.2	3.9	28	11.7	39.4
Ogun	3.6	5.8	8.5	27.8	22.9
Ondo	6.7	6.3	14.9	28	12.5
Osun	7.2	6.5	12.6	27.6	3
Oyo	8.1	8.7	14.9	27.7	8.9
Plateau	6.8	4.7	7.1	10.4	25.3
Rivers	66.4	12.1	27.9	27.8	25.5
Sokoto	12.3	5.9	22.4	15.9	17.9
Taraba	15.2	19.9	26.8	24.7	12.7
Yobe	24.4	12.8	27.3	26.2	35.6
Zamfara	19.1	16.4	13.3	14.5	42.6
FCT	47.8	8.7	21.5	11.8	21.1
Nigeria	12.7	14.9	19.7	21.4	23.9

Source: General Household Survey Report/NBS/CBN Surveys.

Atojoko (2004) posit that unemployment situation in Nigeria has become a conundrum. Not long ago, the Dangote Industries Limited (DIL), announced its intention to recruit just 100 drivers with Ordinary National Diploma certificate to drive its newly acquired state-of-the-art trucks. In the scheme tagged Executive Truck Drivers, about 13,000 young Nigerians turned up for the interview. But that was not even surprising considering the level of unemployment in the country. What shocked many Nigerians was the fact that of the 13,000 applications, six were PhD holders, 704 master's degree holders. In addition, the Nigerian Immigration Service (NIS) employment saga, no fewer than 20 job seekers lost their lives and many injured, confirms the grave unemployment situation in Nigeria.

Table: NIS Recruitment Data 2014

S/N	STATE	FIGURE
1.	Abia	23,500
2.	Adamawa	25,504
3.	Akwa-Ibom	18,750
4.	Anambra	15,990
5.	Bauchi	27,850
6.	Bayelsa	16,888
7.	Benue	10,623
8.	Borno	9,852
9.	Cross River	5,810
10.	Delta	6,221
11.	Ebonyi	14,852
12.	Edo	19,531
13.	Ekiti	22,851
14.	Enugu	35,811
15.	FCT	102,512
16.	Gombe	32,653
17.	Imo	31,623
18.	Jigawa	25,621
19.	Kaduna	26,661
20.	Kano	18,812
21.	Katsina	15,900
22.	Kebbi	17,821
23.	Kogi	13,213
24.	Kwara	21,213
25.	Lagos	81,852
26.	Nassarawa	21,521
27.	Niger	12,531
28.	Ogun	32,590
29.	Ondo	29,852
30.	Osun	31,111
31.	Oyo	53,895
32.	Plateau	23,123
33.	Rivers	18,531
34.	Sokoto	42,123
35.	Taraba	32,121
36.	Yobe	41,213
37.	Zamfara	21,334

Source: NIS Survey 2014

Entrepreneurship Overview

According to Drucker (1985) entrepreneurship is a perceptiveness to change and the entrepreneur as one, who always searches for change, responds to and exploits it as an opportunity. Drucker notes that entrepreneurship is practice behaviour. It is a discipline and like any discipline, it can be learned. Kuratko and Hodgetts (2004) noted that in the simplest of theoretical forms of studying entrepreneurship, entrepreneurs cause entrepreneurship. That is, $E = F(e)$ states that entrepreneurship (E) is a function of entrepreneur (e).

Hill and McCowan (1999) opined that, entrepreneurship is seen as a process which involves the effort of an individual (or individuals) in identifying viable business opportunities in an environment and obtaining and managing the resources needed to exploit those opportunities. Similarly, Timmons and Spinelli (2004) see entrepreneurship as the function of being creative and responsive within and to the environment. He stated further that entrepreneurship activity is a destabilizing force, which starts the process of "creative destruction" which is the essence of economic development. Ogundele (2000 and 2005) defines entrepreneurship as the processes of emergence, behaviour and performance of entrepreneurs. He notes that a focus on entrepreneurship is a focus on the processes involved in the initiation of a new organization, the behavior of such organization and its performance in terms of profits made.

Aina and Salako (2008) described entrepreneurship as the willingness and ability of an individual to seek out investment opportunities and takes advantage of scarce resources to exploits the opportunities profitably. It is the process of creating something new with value by devoting the necessary time and efforts, assuming the accompanying financial social risks at the end receiving resulting reward.

Entrepreneurship education is a purposeful intervention by an educator in the life of the learner to impact entrepreneurial qualities and skills to enable the learner to survive in the world of business.

Alberti, Sciascia and Poli (2004) define entrepreneurship education as "the structured formal conveyance of entrepreneurship competencies which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth oriented ventures.

Training, according to Mullins (2010), is the process of systematically acquiring job related knowledge, skill and attitude in order to perform with effectiveness and efficiency specific tasks in an organization. He stated further that the acquisition of knowledge and skills during training is not desired for its own sake in industrial and commercial enterprises, and that it is utility that predisposes an organization to invest financial and material resources in it. The skill required by entrepreneur can be classified into three main areas:

- i. Technical skills.
- ii. Business management.
- iii. Personal entrepreneurial skills,

Technical skills involve such things as writing, listening, oral presentation, organizing, coaching, being a team player, and technical know-how. Business management skills include those areas involved in starting, developing and managing an enterprise. The personal entrepreneurial skills differentiate an entrepreneur from a manager. Skills included in this classification are inner control (discipline), risk-taking, being innovative, being change-oriented, being persistent, and being a visionary leader among others (Osuagwu, 2006).

There is general agreement by researchers in the field of entrepreneurship that more emphasis should be placed on entrepreneurship education and training as opposed to business education. Business education has a more limited coverage than entrepreneurship education and training, which include additional topics, such as innovation and risk-taking, for example. The consortium for entrepreneurship education (2004) point out that entrepreneurship education is a life-long learning process and consist of five stage namely, basic, competency awareness, creative application, start-up and growth as depicted.

Importance of Entrepreneurship Training

It is abundantly clear that entrepreneurship is important for economic growth, productivity, innovation and employment, and many OECD countries have made entrepreneurship an explicit policy priority. As globalization reshapes the international economic landscape and technological change creates greater uncertainty in the world economy, entrepreneurship is believed to offer ways to help to meet new economic, social and environmental challenges.

Entrepreneurship has gained additional attention in the current economic crisis, as it is widely viewed as a key aspect of economic dynamism. Economic crises are historically times of industrial renewal, or creative destruction, as less efficient firms fail while more efficient ones emerge and expand. New business models and new technologies, particularly those leading to cost reductions, often emerge in downturns.

Hence, policy makers look at entrepreneurship in combination with innovation to return to a period of sustained economic growth. Both entrepreneurship and innovation are associated with "doing something new" and policies, if designed appropriately, can be mutually reinforcing in (re-)creating economic dynamism, the dynamic process of new firm creation introduces and disperses innovative products, processes and organizational structures throughout the economy.

Policy makers need to understand the determinants of and obstacles to entrepreneurship because they must analyze the effectiveness of different policy approaches. Ultimately, policy making must be guided, as far as possible, by evidence and facts. The lack of internationally

comparable empirical evidence has constrained the understanding of entrepreneurship and many questions remain unanswered.

Of course, entrepreneurship objectives and policies differ considerably among countries, owing to different policy needs and diverse perspectives on what is meant by entrepreneurship. In some countries, entrepreneurship is linked to regional development programmes, and the creation of new firms is stimulated to boost employment and output in depressed regions. In others, entrepreneurship is a key element of strategies designed to facilitate the participation of certain target groups, such as women or minorities, in the economy. Some countries simply seek to increase firm creation as such, while others set out to support high-growth firms.

Unemployment and Practical Based-Entrepreneurship-Training

Fashola (2014) suggest the need for complete overhaul of programmes and courses being run by Nigerian universities so that they could be in tune with the nation's current realities. He explains that the courses being offered in Nigerian universities were designed over a century ago by the colonial masters to advance their own economic gains and set up trading businesses under royal charters within their territories. "To man such business setups, the colonial masters needed lawyers, accountants, clerks to oversee them and that was the purpose for which they designed those programmes to suit their needs." He advises the youths to have a change of mindsets from white collar jobs and be adaptive to vocational and skill-oriented jobs that are relevant to the Nigerian nation of today. The governor also says every major city in Africa, including Nigeria, is contending with the problem of transport planning and management, yet no Nigerian university is offering any course in both fields. According to him, this posture accounts for why many of the giant construction companies operating in the country are owned by foreigners that are willing to embrace dirt and jobs we term dirty jobs.

He says several years ago, it was almost unthinkable for a Nigerian graduate to accept to drive a bus in Lagos but would rather travel abroad to drive a cab in the harsh weather of London. Adding that many are now coming back home to embrace such jobs. Fashola says unlike what it was when he was growing up as a child, when every fresh graduate had a job waiting for him. "now it is only those who are ready to change and adapt that will partake in the paradigm change". Enjoining the youths to stop waiting for automatic white collar jobs, but "think of new options that are too enormous for anyone to remain jobless or idle." He reminded the youths that though they require academic certificates, it is not a meal ticket but a preparation for how they would behave, interact, reason well and face future life challenges.

Success stories of selected practical-Based-entrepreneurs:

i. Aliko Dangote (Founder of Dangote Group)

Born on the 10th of April, 1957. It was while working under his uncle, Sani Dantata that he found his passion and began developing his business skills. After developing his business skills and building his confidence, he got a loan of N500, 000 from his uncle in 1977 to start his own business in Kano, trading in commodities and also building supplies. Despite the fact that he studied business at the Al-Azhar University in Cairo, Egypt, his success in business was not tied or linked to his certificate but to his continuous practice of business in the business world. As a self-employed person, with basic education, he proves that business success is usually through strength of mind, honesty and perseverance; and not necessarily by obtaining Harvard-Oxford certificates or First-class academic qualification (<http://naija.com>).

ii. Cosmos Maduka (Founder of Coscharis Group)

According to him, "seven years of apprenticeship, my best University". He was born to a family from Nnewi North local Council in Anambra state, and had to be herded off as an apprentice at the age of 7 to his uncle, who lives in Lagos to learn trade. He became an Automobile Apprentice at the age of 7 to escape poverty. He had to stop elementary school at the age of 3 and hawked akara (beans cake) instead to support his family finances haven lost his father to the cold hands of death earlier in life. Having mastered his craft effectively by the age of nine, Cosmas would single-handedly travel to Nnewi to purchase items (spare parts) for his boss and by the age of 14, he was smart enough to be sent to work in one of their branches at Sokoto and later at Nnewi. He was sent packing at 14 in 1975 from his apprenticeship and was settled with a mere N200. Thereafter, he teamed up with his elder brother to set-up, Maduka brothers at Nnewi with a combined capital of N300. Their basic business was selling spare parts, buying from Lagos and selling it at Nnewi and its environs. From a humble beginning, Maduka today sits on top of a conglomerate, Coscharis group with several subsidiaries (Oyi, 2015)

iii. Innocent Ifediaso Chukwuma (Founder of Innoson Vehicle Manufacturing Company Limited)

The youngest among six children, Innoson Mojekwu of Uru-Umudim, Nnewi, in Anambra state, without the proverbial silver spoon in his mouth. But, what he lacked in affluent parental background, he made up for with intelligence, hard-work, discipline and business acumen-qualities that have continued to interplay remarkably in his many ventures. Thus, like many a successful Nnewi, and indeed Eastern, businessman, his trajectory in the private sector took off modestly when his elder brother, Chief Gabriel Chukwuma (Gabros) identified the good qualities in him and paved the way for the youngster's journey into the business

terrain as an apprentice after his education in his home town. First, it was patent medicine trade that he tried his hands on, but later developed a stronger passion for motorcycle spare parts. This early tutelage became the veritable foundation the young Innocent needed to demonstrate an innate flair for trading, especially in motorcycle and automotive parts. With his knowledge of the trade now honed, in 1981, Innocent ventured fully into the trade under the name Innoson Nigeria Limited (with motorcycle parts and accessories as his main stock). In February 2007, Innocent embarked on what some analysts perceived them as a mission impossible, when he incorporated Innoson Vehicle Manufacturing Company Limited (IVM) to produce sundry commercial automobiles, utility vehicles and passenger cars, in collaboration with a consortium of Chinese auto manufacturers. IVM is today a success story which has attracted effusive commendations and awards from various quarters, including the nation's seat of power (<http://www.thenigerianvoice>).

Conclusion

It is greatly beneficial to be entrepreneurial. It is the easiest means of being gainfully employed and providing jobs for the unemployed. It provides jobs for both educated and uneducated persons. It is the gateway to creativity, innovation and self reliance. Institutions of learning must incorporate the current economic realities into their programmes and courses in order to remain relevant and contribute to economic development, growth and sustenance.

References

- Aina, B.S and Salako, H.A. (2008). Determinants of foreign direct investment in Nigeria; an empirical investigation. CBN Economic and Financial Review vol. 39, No. 1 March.
- Alberti, F., Sciscia, S. and Poli, A. (2004). Entrepreneurship Education; Notes on an ongoing debate. Proceedings of the 14 Annual International Entrepreneur Conference, University of Napoli Federico 11, Italy, 4-7 July.
- Atojoko, S. (2014). Nurturing an Army of Jobless Youths: Tell Magazine, March 31, No. 13.
- Drucker, P.F (1985). Innovation and Entrepreneurship: Practice and Principles. New York: Harper and Row.
- Hill, J & McGowan, P. (1999). A qualitative approach to developing small firm marketing planning competences, Qualitative Market Research: An international Journal, Vol.2, No.3.
- Fashola (2014). Tackling Unemployment in Nigeria: Round table Discussion by Technocrats, VIPs, Union leaders, Abuja, Nigeria.
- Kuratko, D.F. & Hodgetts, R.M. (2004). Entrepreneurship: Theory, Process. Practice (Mason, OH; South-Western Publishers).
- Mullins, L.J (2010). Management and Organizational Behaviour, Ninth ed, London: Pearson Education Ltd
- Ogundele, O.J.K (2000). Determinant of entrepreneurial emergence, behaviour and performance in Nigeria, Unpublished Doctorial Dissertation; Nigeria: University of Lagos.
- Ogundele, O.J.K. (2007). Introduction to Entrepreneurship Development, Corporate Governance, and Small Business Management. Lagos: Molofin Nominees.
- Ohi, S (2015) Seven years of Apprenticeship, My Best University: Dailysun newspaper Jan 20, PP 28 & 37.

Osuagwu, L. (2006). Small Business and Entrepreneurship Management. Lagos: Grey Resources Limited.

Timmons, J.A. & Spinelli, S (2004). New Venture Creation: Entrepreneurship for the 21st Century. Boston: McGraw Hill Irwin.

Youthlife (2014). The priority of Entrepreneurship in today's Economic Reality: The magazine for the victorious youth Vol. 13 No. 6.

<http://www.thenigerianvoice.com/news/83629/1/chukwuma>
<http://naija.com/nigerian-billionaire-aliko-dangote-biography>.
www.wikipedia.com

Strategic Management of Entrepreneurship Education Innovations for Sustainable Development in Nigeria

Jonathan E. Oghenekohwo Irene U. Berezi
Department of Educational Foundations,
Faculty of Education,
Niger Delta University, Wilberforce Island, Nigeria.

Preamble

Research and development (R&D) is the core of any nations' social, economic, technological and educational advancement. Strategic management of the outcomes of R&D in terms of innovations, inventions and creativities constitutes an aspect of entrepreneurial development especially in the area of education outputs. This study, shows how strategically adapted higher education environment is to the development and management of entrepreneurial skills. Besides, an indept analysis on how policy issues advance strategic management of educational innovations and the impact of change on the system in relation to the promotion and sustenance of entrepreneurship among others, constitute the focus of this presentation with policy implications.

Introduction

It must be recalled that, the economic strength, quality of life, comprehensive national power infrastructure, international comparative advantage, economies of scale of nations in the global political-economy of development according to Abu & Oghenekohwo (2010), depend, as a general rule on the development and progress made in science and technology as demonstrated through entrepreneurship innovations and inventions. The strategic management of entrepreneurship outcomes starts from the research and development (R&D) climate which obviously situates in the educational system of any nation. It is then plausible that the context of inventions, innovations and creativities rights which management must focus can only be entrepreneurial based when it is strategically driven by managers of such discoveries. This is what informed the submission of Abu & Oghenekohwo (2010) that, people and societies benefit greatly from the inventions and creations of science-tech inventors in the areas of agriculture, industrial field, education, economies and arts when there is a comprehensive and strategies policy framework for the promotion of inventions, innovations creativities, intellectual properties and technological transfer originating from

the education sector. Such policy framework can only be driven and sustained by strategic management elements which are critical to the process of attaining sustainable development goals.

Statement of the Problem

Management is always guided or driven by policy. Irrespective of the systems in place, strategic management of educational inventions, innovations and creativities is guided by a comprehensive policy which provides a value-based orientation and value chain benefits. Such as policy according to Jing'an (2009) needs to certify five objectives:

- i) encouragement of more research inputs, to promote the development of a technological system for corporate orientation;
- ii) encouragement of the transfer of technology (inventions) results to production areas;
- iii) encouragement of scientific and technical staff to make inventions, apply and implement technological results;
- iv) reforms and improvement of the intellectual property rights (IPR) in management system in national science and technology plans; and
- v) encouragement of the development of high-tech industrial parks to provide a better environment and service for innovation and the business of high-tech talents.

These objectives are to be driven by research and development (R&D), which unfortunately, have not received the expected support, partly or wholesomely due to non-application of strategic management of the innovations, inventions and creativities that emerge from most research institutions. This has not only stiffen the growth of entrepreneurship in the society, consequences of which are large poor of unemployment and other forms of social exclusion in economic growth and development of Nigeria.

Research Objectives

Arising from the above, this paper is concerned with the following research objectives, namely to:

- i) establish the responsiveness of higher education environment to inventions, innovations and creativities for strategic management of entrepreneurial talents;
- ii) find out the impact of change on the development and strategic management of entrepreneurship innovations, inventions and creativities; and
- iii) determine the correlation between sustainable development policy issues and strategic management of inventions, innovations and creativities.

Research Questions

Given the above research objectives, the following questions were raised to guide the study.

1. To what extent is the higher education system's and environment responsive to strategic management of entrepreneurship innovations, inventions and creativities?
2. How relevant is the impact of change in the education process and practices on strategic management of entrepreneurship innovations?
3. What is the correlation between the policy development issues and strategic management of entrepreneurial innovation for the attainment of sustainable development goals in Nigeria?

Review of Literature

Perspectives on Strategic Management Techniques

In any discourse on strategic management, one critical factor of concern is the environment where the strategy is adopted. Thus, Nag, Hambrick & Chen (2007) conceptualized strategic management as a process of formulating and implementing the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environment in which the organisation completes. What is new in this context of management is strategy which Ghemawat (2002) referred to as, the determination of the basic long-term goals of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Therefore strategies are established to set direction, focus effort, define or clarify the organizational goals and provide consistency or guidance in response to the environment.

In a related development, Akintayo & Oghenekohwo (2004) contended that strategic management is a process by which manager defines the goals of organisation, in relations to the internal and external circumstance and undertake to execute chosen plans in order to achieve the desired or stated outcomes. Strategic management is therefore seen as a variable in a model that often include a feedback loop to monitor execution or implementation and thus inform the next round of planning (Ghemawat, 2002).

The core issues in the strategy in strategic management are usually guided by three principles which Porter (1996) identifies as; creating a unique and valuable position; making trade-off by choosing what not to do; and creating 'fit' by aligning organisation activities with one another to support the chosen strategy (Kvint, 2009). This flows from the conception of strategy as a system of finding, formulating and developing a doctrine that will ensure long-

term success if consistently followed-up. Therefore, strategic management is often described as involving two major processes, namely; formulation and implementation of strategy (Akintayo & Oghenekohwo, 2003). Formulation of strategy involves analyzing the environment in which the organisation operates, then making a series of strategic decisions about competitive edge (Mintzberg & Quinn, 1996). Environmental analysis must include externalities such as political, economic, social, technological, legal and ecology.

The internal environment that need ventilation in the analysis must focus on the strengths and weaknesses of the organisation's resources, that is, its people, processes and IT systems. When all these variables are considered in relation to the education system in term of entrepreneurship, innovations, inventions and creativities, it is obvious that the development of the sector though very high in terms of outcomes in scientific discovery, yet, the application to the industrialization process is still very low.

Strategic management involves such related concepts of strategic planning, and strategic thinking which produce innovations driven by inventions that sustain the entrepreneurial skills gained through research and development. Besides, strategic planning as an element of strategic management may also implies all control mechanisms used to implement plans which happens around the strategic thinking or strategic making activities, in this case, the entrepreneurship skill development process is usually expressed.

From the above context, strategic management is detailed as a process whereby managers establish an organisation's long-term direction and set specific performance objectives in the light of all the relevant internal and external circumstances and then, undertake to execute the chosen plans (Akintayo & Oghenekohwo, 2003). Accordingly, the variables of internal and external environments are critical to the process. Therefore, innovations and inventions that are generated through R&D require strategic management elements such as strategic analysis, planning the direction, planning of strategies, strategic implementation as well as consistent monitoring and evaluation of the innovative outcomes for sustainable development of educational goals in any social system.

Entrepreneurship, Research and Innovation

Entrepreneurship is a process of becoming and involving. It is about identifying opportunities, creatively breaking patterns, taking and managing risk, organizing and co-ordinating resources (Landstrom, 1998). Entrepreneurship, according to Babalola (2006), integrates seeing (vision) and doing (action). The "seeing" is reflected in thinking out ideas, building up of concepts, reflecting on possibilities while the "doing" is evident in innovation and creativity.

In recent years, the promotion of entrepreneurship education has become an issue of higher education research and development interest. This trend is due to the growing acceptance that enterprise start-ups or development are a driving force of economic growth and significant job creation. Babalola (2006) noted that alumni of universities are seen as an important source for future entrepreneurs in dynamic and innovative areas such as information technology and biotechnology.

Empirically, there are direct positive correlation between academic institutions as catalyst for high technology set-ups and entrepreneurship. This is because self-employed, when compared to people in wage and salary employment, have more often, a formal education at a university (Robinson & Sexton, 1994; Bruderl, 1998). Besides, the economic impact of companies founded by university alumni is more significant. Richter & Schiller (1994) compared academic and non-academic business founders. The study showed that, more than half of the academic entrepreneurs created new ventures in high-tech industries whereas non-academic founded their companies mainly in non-innovative production and service sectors (Richert & Schiller, 1984). In general, enterprise founders with university education apparently make higher investments in their enterprises than non-academic entrepreneurs. Therefore, much consideration has been given to formal entrepreneurship education at the university level given that, research and development are positively and significantly correlated.

Meanwhile, it is underscored in this context that an entrepreneur is a person who develops a new idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customers' needs. The relevance of strategic management of entrepreneurship skills is then premised on the fact that, while all entrepreneurs are business minded persons, it is not all business persons that are entrepreneurs. Therefore, it become imperative to strategically manage the persons of the entrepreneur given that, there are variables that must be developed. Such as initiative, opportunity seeking, persistence, information seeking, demand for quality and efficiency, risk taking, goal setting, commitment to work, systematic planning and monitoring, persuasion and networking, dependence and self-confidence. A critical look at these variables situate the place of the entrepreneur into the variants of strategic management for innovation, invention and creativity on the platform of higher educational goals.

While writing on achieving development goals innovation in education and development, Kinstruk, Lentell, Mackintosh, Victor, Webb & West (2015) conceived innovation as the process of making changes to something established, by introducing something new. It applies to radical or incremental changes to products, processes or services. In this 21st

century, technology is a significant driver behind change, and most often plays significant role in innovations and inventions in educational design and delivery. It is obvious that to attain sustainable educational development, Nigeria must address the challenges of sustainable development goals by ensuring that innovation plays a constructive role in improving educational opportunities for billions of Nigerians who remain under-served, isolated, degraded, excluded and deprived in a rapidly developing world.

Meanwhile, innovation in a sense is the activity of people and organizations to change themselves and the environment. It means breaking routines and dominant ways of thinking, introducing new things and behaviours, launching new standards. Piana (2003) noted that, focused by a creative orientation, innovation arises from dissatisfaction with the current state of art, by leveraging technological and new social opportunities. It is therefore seen as a complex process of development of discoveries (such as new physical laws) and inventions (e.g. a new machinery) brought in the business and social environment (such as those introduced on the market), hopefully leading to diffusion (adoption by new users (Piana, 2003). In all these streams, innovations come in three kinds, namely; product innovation – new goods or services put on sales; process innovation – which changes the way a given good is produced within the form or across a supply chain; and behavioural innovation – when an organisation routine is replaced with new ones, including the main features of its business model.

In contemporary environment, it is clear that innovation no longer follow a linear model, rather, everything is now said to be linked to everything. Science, technology, economy, education and systems are self-propelling complex systems where innovation is both endogenous in each one of them as well as the outcomes of the interaction among them. Consequently, the first determinant of innovation is the innovative effort, measured by research and development expenditure, both in public and private institutions (including universities and research centres); the number of researchers and their laboratories/machinery endowments. Nevertheless, a conducive environment for innovation is a large and diversified human capital, entrepreneurial skills, a wide consumption, a pluralistic and multi-polar open society (Piana, 2003).

Innovation and Sustainable Educational Development

Sustainable educational development is driven by change, as change may be described as the adoption of an innovation (Carlopio, 1998), where the ultimate goal is to improve outcomes through an alteration of practices. The role of education in the innovation process is significant as earlier noted. Thus, if education is critical to the change process, then sustainable development of the sector would then be driven by the outcomes of the system

as evident in research and development. Innovation in the system drives change which may be affected by internal or external factors in the environment (Yee, 1998). It may also be recalled that the structural framework of education is hierarchical in nature with educational institutions organized on many levels.

However, within each level of educational operation, there exists the possibility of improvement to practices and for their resultant outcomes (innovations/inventions) to be impactful on the systems, educational institutions must be creative, restructuring the framework of their systems especially, as evident in research and development to form learning communities (Hough & Paine, 1997), rather than institutions whose core function is the dispensing of information. Innovation is expected to drive sustainable changes in the educational system as educational institutions require constant monitoring, through strategic management variables of monitoring and evaluation, to identify areas for potential improvement as may be driven by research and development.

It is therefore certain that development of entrepreneurial skills is crucial, as it constitutes one of goals of tertiary institutions, and this is to be pursue through research and development just as university education shall make optimum contribution to national development by making entrepreneurial skills acquisition a requirement for all Nigerian universities (FRN, 2013). This goals can only be quantified in terms of evidential innovations, inventions and creativities that attend entrepreneurial development in drive for sustainable educational development goals.

Methodology

The qualitative research method was adopted in this research. The investigation was based on the critical analysis of both primary and secondary data on variables. The data analyzed were subjected to analytical clarification and juxtaposition that enable the research come up with relevant findings, as evident in facts and evidences.

Findings

The findings of this study are presented under specific highlights as originating from the research objectives and questions respectively as prescribed under the following themes:

Responsiveness of higher education system to strategic management of entrepreneurship innovation; invention and creativities

While writing on the impact of education on entrepreneurial propensity, Babalola (2006), informed that entrepreneurship education has been intensified in universities during the past four decades. The university environment through its curriculum has provided positive

inclination to the development of entrepreneurship skills for innovation, inventions and creativities.

According to Soyibo (2006), it was reported that 200 level students are expected to participate in series of workshops on entrepreneurship and innovation while interested students that participated in the various workshops are given a choice of electing a course on entrepreneurship in their third year. This is a model of response from the University of Ibadan, being one of the leading universities in Nigeria, which started entrepreneurship and innovation programmes, designed for both undergraduate and postgraduate level students respectively.

In reference to other streams, it was reported that by 1990, there were already 400 universities in America active in entrepreneurship education, and estimates as 2006 exceeds 700 universities with the figure quite above 1000 universities presently providing entrepreneurship skills capacity (Vesper & Mc Mullan, 1988; Hills & Morris, 1998; Fiet, 2001). A review of a graduate enterprise programme in the United Kingdom suggests that the programme provided an incentive to more than half of the participants to start their enterprises sooner than interested. Hence, it is evident that the initiative had an enabling and accelerating impact on the graduates' founding activities (Brown, 1990). Therefore, the educational system that provide entrepreneurship courses and programmes according to Vesper and Mc Mullan (1997), help alumni to make better decisions in the startup process for creativity, innovation and consequently, demonstrating entrepreneurship skills that drive sustainable charges. As provided in the analysis of Hostager and Decker (1999), unlike entrepreneurial programmes in the education system, general business management education has no significant influence on entrepreneurial propensity which is evident in innovations, inventions and creativities.

Relevance of change in education processes and practices on strategic management of entrepreneurial innovations

As noted by Kinshuk et al (2015), technology is a significant driver behind change, and plays an important role in innovations in educational design and delivery. The change in the processes and practices arising from learning predict innovative behaviour. As such, there are immense possibilities for greater and wide-spread change with the use of present-day technological advancements, as well as with the strategic implementation of innovative educational programmes.

Hence, innovation and change in education according to Credaro (2006) depend on a strategic reform process that requires constant monitoring to continually identify areas for potential improvement, taking into consideration the internal and external circumstances

that drive the process in the context of entrepreneurial innovation for sustainable development.

Impact of change in education process and practices in relation to strategic management of entrepreneurial innovation is evident as Riffkin (1995) suggests that an era where an employee's worth is determined by the market value of their labour is coming to an end. According to Riffkin (1995), creativity and innovativeness are replacing knowledge base extent in determining "value", whilst ability to work in a team environment is a prerequisite for many employment opportunities. This enforces instructional practices that develop a self-directed, life-long learning that are critical to entrepreneurial development.

In fact, the impact is also evident in the implementation of the change itself. As established in the literature (Credaro, 2006), identification of areas of improvement is the initial stage of the change process, followed by the generation of possible solutions to address issues so identified. The third stage is the implementation of the proposed innovations, which is the most complex or difficult to achieve. Accordingly, Fullan (1993) noted that educational reforms which bring about changes and practices are "hard to conceive and even harder to put into practice" (p.46). So, the impact can be systemic and diffusional to reflect on strategic analysis and implementation of process and practices that would translate to entrepreneurial gains arising from the system.

Policy issues and strategic management of entrepreneurial innovation for sustainable development goals

Recall that Abu and Oghenekohwo (2010) reported that institutional environment and enterprise environment are two critical factors that are of significance in complementing the creation and successful adoption of innovations. First, among such critical policy issues are partnership, collaboration and synergy. Institutions have to be supportive of an active approach to innovation and innovative (entrepreneurial) character behaviour (Frese, Kring, Soose & Zempel, 1996). Besides, the enterprise environment has to be one in which inventors are safe and guaranteed to take interpersonal risks and value individuals creative talent as well as contribution to the innovative process (Edmondson, 1999).

Therefore, the culture of the institution must emphasize innovation as an institution culture is critical to the strategic management of creativity, innovation and invention (Baldrige, 2007, Weick, 2000). Abu and Oghenekohwo (2010) once submitted that professional education of entrepreneurial values, the establishment of laboratories and improvements in techniques of measurement and experimentation have increased the efficiency of innovation, discovery, and inventions. Policy issues according to Jing'an (2009) must then certify five objectives in

entrepreneurial development. According to Jing'an (2009) policy issues must:

- i) encourage more research input, to promote the development of a technology (invention) and innovation system for corporate orientation;
- ii) encourage the transfer of technology (invention) results to production areas;
- iii) encourage scientific and technical staff to make technology (invention), and to apply and implement technological results;
- iv) reform and improve on intellectual property rights (IPR) management system in national science and technology plans; and
- v) encourage the development of high-tech industrial parks to provide a better environment and service for innovation and the enterprise of high-tech talent.

The above objectives are to be driven by such policy issues as provided by Connel University (2009) which are:

- a) clarification and interpretation of invention and intellectual property;
- b) disclosure of invention;
- c) intellectual property, licensing and license revenue management;
- d) inventions and related (intellectual) property rights acknowledgement;
- e) request for waiver of provision; and
- f) material transfer agreements for materials into and out of the educational institution.

Conclusion and Recommendations

This chapter has presented a systemic but analytical findings on three main issues of interest as related to strategic management of entrepreneurship and educational innovation for sustainable development goals in Nigeria. Essentially, the study established the responsiveness of the educational environment to the strategic management of entrepreneurial innovation; correlation between policy issues and strategic management of entrepreneurial innovation and the impact of change in the educational system on the development of entrepreneurial innovation for the promotion of sustainable development goals in Nigeria.

Developing a capacity for sustained entrepreneurial innovation requires a sound knowledge of the dynamics of innovations and invention. This must be provided and sustained. The strategies to exploit new ideas, implement change processes and practices that are driven by the higher education system is critical as policy issue among others which this chapter has articulated for knowledge development. Thus, innovations and inventions including educational ideas and enterprise practices such as strategic management (Jap, 2002) are strategic to sustainable development goals in Nigeria.

References

- Abu, P. B & Oghenekohwo, J. E. (2010). Policy issues in the management of inventions. *European Journal of Scientific Research*. 99(2):193-108
- Akintayo, M. O. & Oghenekohwo, J. E. (2003). Corporate strategies for policy formulation and planning in organisation. Mimeograph. Ibadan. Yemi Modern Publishers.
- Babalola, S. S. (2006). "Managing innovation, product development and entrepreneurship" S. Balogun; B. Ehigie & A. Sunmola (Eds). *Managerial Psychology: An Overview*. Ibadan: Department of Psychology, University of Ibadan, Ibadan.
- Brown, R. (1990). Encouraging enterprise: Britain's graduate enterprise program. *Journal of Small Business Management*. 28(10). 71-77.
- Bruderl, J. (1998). Der erfolg regegründeter betriebe: Eine empirische untersuchung zu den chancen und risiken von unternehmensarundungen. 2nd Edition, Bertin: Duncker & Humblot.
- Carlopio, J. R. (1998). Implementation. Making workplace innovation and technical change happen. Roseville, NSW: McGraw-Hill.
- Credaro, A. (2006). Innovation and change in education. [Attp://www.warriorlibrarian.com/library/innovate.htm/](http://www.warriorlibrarian.com/library/innovate.htm/).Retreived 10/12/2006
- Connel University Policy library (2008). Inventions and related property rights. Policy. 1-5.
- Edmondson, A. (1999). Psychological safety and learning behaviour in work teams. *Administrativescience Quarterly*. 44, 350-353.
- Federal Republic of Nigeria (2013). National policy on education (6th Ed) and 4 year strategic plan for the development of the education sector 2011-2015. Lagos: NERDC Press.
- Frese, M; Kring, W; Soose, A & Zempel, J. (1996). Personal initiative at work: Differences between East and West Germany. *Academy of Management Journal*. 39, 37-63.
- Fiet, J. O. (2001). "Education for entrepreneurial competency: A theory-based activity approach". R. H. Brockhaus, G. E. Hills, H. Klandt & H. P. Welsch (Eds.). *Entrepreneurship education: A global view*. Hants: Ashgate Publishing Limited.

- Fullan, M. G. (1993). The school as a learning organisation. Changing forces; probing the depths of educational reforms. London: Falmer Press. Pp 42-83.
- Ghemawat, P. (200). "Competition and business strategy in historical perspective". Business History Review. Social Science History Network. Spring.
- Hills, G. E & Morris, M. H. (1998). "Entrepreneurship education: a conceptual model and review". M. G. scott; P. Rosa; & H. Klandf (Eds). Educating entrepreneurs for wealth creation: Hants: Asligate Publishing Ltd.
- Hostager, T. J. & Decker, R. L. (1999). " The effects of an entrepreneurship program on achievement motivation: A preliminary study". SBIDA, San Francisco, CA: Small Business Institute Director's Association . (<http://www.sbaer.uca.edu/Research/1999/SBIDA/shi/28.htm>).
- Hough, M & Paine, J. (1997). Creating quality learning communities. Melbourne. Macmillan Education Australia.
- Jap, S. (2002). Online reverse auctions: Issues themes and prospects for the future. Journal of the Academy of Marketing Science. 30(4), 502-521.
- Jing'an, Z. (200). "Encouraging technology innovation, accelerating technology transfer and driving progress of science, technology, economy-and society", a paper discussed at a national conference on wealth creation through invention, innovation and creativity. (Philosophical, humanitarian, employment and development related aspects). April, 15 Taipie.
- Kinshuk, O. K.; Lenttel, H. Mackintosh, W; Victor, L; Webb, R. & West, P. (2015). Achieving development goals, innovation in education and development. A paper presented at the Fourth Pan Commonwealth forum on Open Learning. Commonwealth of Learning and the Caribbean Consortium.
- Kvint, V. (2009). The global emerging market. Strategic Mangement and Economics. Excerpt from google books: Route ledge.
- Landstrom, H. (1998). The roots of entrepreneurship research. Paper presented to the RENT XI conference, Lyon, France: Nov. 26-27.

- Minteborg, H & Quin, J. B. (1996). The strategy process concepts, contexts, cases. London: Prentice Hall.
- Nag, R; Hambrick; d. C; & Chen, M. J. (2007). "What is strategic management really? Inductive derivation of a consensus definition of the field" (PDF). Strategic Management Journal. 28(9): 935-953. Retrieved October 22, 2012.
- Piana, V. (2003). Innovation. Economies Web Institute.
- Porter, M. E. (1996). "What is strategic management?" Haward Business Review. Nov-Dec. 1996.
- Richert, J. & Schiller, R. (1994). Hochschulabsventenals. Existenzgrinder. Report of the "Deutsche Ausgleichsbank" for the Federal Ministry of Education and Science in Germany. Bonn.
- Rifkin, J. (1995). The end of work. The decline of the global labour force and the dawn of the post market era. New York: G. P. Petnm's Sons.
- Soyibo, A. (2006). The concept of entrepreneurship and innovation: A paper presented at the workshop on introduction to entrepreneurship and innovation for university students. University of Ibadan, Ibadan, Nigeria. January 21-26.
- Vesper, K. H. & Mc Mullan, W. E. (1988). Entrepreneurship: Today courses, tomorrow degrees? Entrepreneurship Theory and Practice 13(1); 7-13
- Weick, E. (200). Quality improvement: A sense making perspective. E. R. Cole & W. R. Scott (Eds). Quality Movement and Organisational Theory. Thousand Oaks, CA: Sage Publications.
- Yee, J. A. (1998). Forces motivating institutional reform. ERK Digest. ED421179. Online. Accessed Sept. 21, 1999.
- .

Human Resource Planning in Business Organisations

Osemeke, Monday, PhD

Department of Economics and Business Studies

College of Management and Social Sciences

Samuel Adegboyega University

Ogwa, Edo State, Nigeria

Introduction

The focus of this paper is on effective human resource planning for the achievement of organizations determined objectives in Nigeria. Addressing this issue the study derives its data from secondary sources, which involve an extensive review of related literature on the subject. The paper concludes that the critical nature of engaging in human resource planning cannot be overemphasized, since failure to plan for future needs can be devastating and can probably leave the organization with a shortage of talented individuals with the right skill sets. The study recommends that managers of organizations should adopt continuous Human resource planning process. Planning requires constant monitoring to ensure that human resource objectives are aligned with corporate objectives. As the environment changes, corporate objectives and human resource objectives should be revised and realized.

Background to the study

Human resource planning is a key initial step in getting the right people in the right place at the right time. Without accurate planning, the organization may not be positioned to compete effectively in the marketplace. This proactive process anticipates future staffing needs by forecasting the supply and demand of the firm's human resources. Inadequacy of human resources planning has been cited as the reason why most organizations today are facing a chaotic situations as they did not at onset plan their workforce, neither did they have any systematic human resource (HR) management programme that put the organizations goals first and the decay in organizations is evident as the level of frustration is equally high; and the "marketplace" trend of organizations is becoming a reality (Anyadike, 20013). The cause of this unfortunate development is primarily a lack of human resource planning. If not,

what else can explain the sharp increase in workers strength as soon as any new chief executive emerges?

Effective human resource planning will save the organization considered money. The organization cannot afford to be overstaffed or understaffed because it will incur additional costs. If the company is overstaffed, it is paying for workers who are not being challenged to their fullest capacity. If it is understaffed, productivity and quality may suffer because not enough people are available to perform the work effectively.

Those organizations that fail to engage in human resource planning also impair the career development of their employees. Employees who have no knowledge of their firm's staffing plans may seek employment elsewhere to further their careers. Companies incur significant costs when employees are unhappy with their career development and leave the organization to work for the competitor. Human resources planning therefore provide direction, reduce uncertainty, and minimize waste and sets standards. No activities can be done without planning; just as nothing can be done in any organization without first determining the organization's human resource needs.

Based on the foregoing, the rest of the paper is structured as follows:

- (1) Research Methodology adopted for the study
- (2) Review of relevant literature
- (3) Conclusion
- (4) Policy recommendations.

Research Methodology

Data for this study were derived from secondary sources: previous research and analysis of scholars, government documents, magazines as well as journal articles that are related to the subject. This study involves an extensive literature review which critically analyzed the present status, problems and prospects of human resource planning as part of the roadmap to enhance productivity in organizations in Nigeria.

Review of Relevant Literature

Definition of Human Resource Planning

Azalama and Ojeifo (2007) define human resource planning as "the process which helps provide adequate human resources to achieve organizational objectives". It is the process of getting the right number of qualified people into the right job at the right time. They identified three major segments of the process. The first is to forecast future needs of various forms of employees in the organization. The second is to compare the needs to present

workforce available. The third is to determine the number and nature of employees to be phased out or added to the organization.

Cascio (1992) acknowledged the difficulties in attempting to put in place a universally acceptable definition of human resource planning. He argued that though definitions put in place differed, there was a point of convergence. He centered on this point consequently defining resource planning as an effort to anticipate future business and environment demands on an organization and to provide the personnel to fulfill that business and satisfy these demands. He also identified three major interrelated elements of human resource planning. The first is human resources inventory which he regarded as a means of assessing current human resource in the organization. The second is forecast of human resource supply and demand which is intended to assist human resources planners to predict personnel need within the plan period. The third element relates to control and evaluating procedures designed to provide feedback to the entire system of human resource goals.

Human resources planning can be defined as proactive human resource management role which considers organizational and environmental factors in determining specific human resources needs and how to meet them for optimum organizational goals attainment and for satisfaction of the employee within the plan period (Buhler, 2002}. This definition recognizes human resource planning as pervasive. It does not stop at determining and types of personnel require working in the organization at a given time. It is a system which focuses on planning every aspect of the role of the personnel division and the personnel function of unit managers in every department of the organization.

Put another way, HRP is "the system of matching the supply of people – internally (existing employees) – and externally (those to be hired or searched for) -- with the openings the organization expects to have over a given time frame." Ripley (1995) defines the HRP process as "the systematic assessment of future HR needs and the determination of the actions required to meet those needs. This indicates the first challenge of HRP is to translate the organization's plans and objectives into a timed schedule of employee requirements. Once the employee requirements have been determined, HRP must devise plans for securing the necessary employees. Basically, all organizations engage in human resource planning either formally or informally. Some organizations do a good job and others a poor job (Byares & Rue, 2004)

The long-term success of any organization ultimately depends on having the right people in the right jobs at the right time. Organization objectives and the strategies for achieving those objectives are meaningful only when people with the appropriate talents, skills, and desire

are available to carry out those strategies. According to Byares & Rue (2004) poor human resource planning can also cause substantial problems in the short term. Consider the following examples:

- i. Despite an aggressive search, a vital middle management position in a high – technology organization has gone unfilled for six months. Productivity in the section has plummeted.
- ii. In another company, employees hired just nine months ago have been placed on indefinite layoff because of an unforeseen lag in the workload in a specific production area.
- iii. In still another company, thanks to the spectacular effort of a talented marketing manager, product demand has soared. However, because the rise in demand was unanticipated, the company has not been able to hire enough production employees (Ripley 1995).

Dessler, (2001), opined that human resource planning is an ongoing process that is not static involving many interrelated activities which must be modified and updated as conditions require. It includes the planning and development of human resource program, such as recruitment, performance appraisal, and training to ensure that people's needs in the organization are met. Strictly speaking, we should call this function “human resource planning and action programming.” Furthermore, human resource planning requires detailed analysis of the present and the future to ensure that the organization has the right number of people available who possess the right kinds of skills to perform the jobs required by the organization when the work is needed (Izueke, 2009).

According to Anyadike (2013), human resource planning is a management activity that involves a careful analysis of existing workforce, job requirements in other sources and developing people who will run the structures of the evolutionary organization now and in the future in order to ensure the achievement of objectives. Specifically, human resource planning involves analysis of: Workforce inventory (disaggregating it into skilled and unskilled, technical and non-technical etc.); Relating the disaggregated workforce to the job involvements and requirements (e.g student/lecturer ratio, proposed production level and available work-hours); Calculating the required establishment; Determining shortages or surplus of workforce; Taking appropriate management decisions, as it relates manpower/workforce

The need for HRP is due to the significant lead time that normally exists between the recognition of the need to fill an employment and the securing of a qualified person to fill that

need. In other words, it is usually not possible to go out and find an appropriate person overnight. Effective HRP can also help reduce turnover by keeping employees apprised of their career opportunities with the company. To specify what human resources planning entail, its characteristics are explained here.

The Characteristics of HRP

The Characteristics of HRP according to Azalama and Ojeifo (2007) are as follows:

(a) Determination of human resource objectives is an aspect of human resource planning. The objectives are derived from the organizational goals, workforce need, and the employment situation of the economy, labour law in the state and, in some cases, the international community, employee satisfaction and the organizational image. Some writers on human resource planning deemphasize employee satisfaction. This may be partly due to over emphasize on free market economy which basically considers labour as just another factor of production.

(b) Making of human resource management policy is a characteristic of human resource planning. Some human resources plans are derived from a human resource policy which can also be a law. This happens when it is a fundamental policy or a policy derived from the constitution or judicial interpretation, Ikelegbe (1996). Where such a policy emanates from the legislature, it may be referred to as functional policy. Organizations in the private and public sectors make policies some of which form a part of human resource plans. Some human resources plans are derived from policies. Laws relating to labour are a guide for making human resource plans in the public sector. They certainly affect making of human resource plans in the private sector. In Nigeria for instance minimum wage is both a law and policy made by the state. It affects human resource planning in both public and private sectors.

(c) Human resource planning entails forecasting. Czanik (2005) observed that personnel inventory and forecast within the organization are required for determining personnel objectives and policies. Forecast of personnel demand and supply is not only required for personnel planning, it is an indispensable part of the plan.

(d) Workforce or personnel action plan is an important aspect of every human resource plan. Forecasting is done to provide information for the personnel action plan. Schult (2004) sees talent action plans as aiming at attracting, retaining, redeploying and developing the workforce needed by the organization to meet the forecast quality and quantity of personnel.

(e) Feedback or examination of the organizations strategic advantage analysis and diagnosis is an integral part of the process of human resource planning. While organization is already in operation, its process of human resource planning benefits from indicators emanating from various units and activities of the organization. It may however be noted that human resources planning is also done when planning an organization that is yet to take-off. Such a proposed organization would not have feedback or its past experience to benefit from.

(f) Human resource planning is continuous. Once the organization has taken off the process is on-going. It is not a once and for all exercise. Yet some of its segments are periodic. Changes in the organizational goals, finances, production functions, environment, laws, technology, labour relation and so on may also lead to some human resource plans or aspects of the plans becoming relevant or otherwise within a given time frame. Some human resource plans have special targets. It may be to attract special talents or to meet the needs of a new government policy. Thus, human resource planning is continuous and dynamic.

(f) Human resource planning is integrative and systemic. It embraces every aspect of human resource management. These include determination of workforce needs, employment, managing people at work, personnel training and development, rewards, personnel evaluation, managing labour relation, discipline, and disengagement of labour including retirement and so on. Azelama (1995) classified these facts of human resource management into inputs, process and output functions recognizing the independence and inter-relatedness among them on hand and with the environment on the other.

(g) Human resource planning is organization specific. Organizations may have similarities in the areas belonging to the same sector (public and private), the same industry, having common ownership, the same environment and so on. This does not mean that the human – resources plan for the organization can always fit into that of the other. In Nigeria, Federal Universities have similar organizational goals subsystem, managerial subsystem, structural subsystem, technical subsystem and psycho-social subsystem. Some of them have the same environment where they get their inputs particularly candidates for admission, similar processes of impacting knowledge, developing skill and conducting research. Yet each of them has personnel plans that differ from one of such universities to the other.

(h) Workforce plan is a subsystem of the business plan or the general plan of the organization. Human resource planning which is usually handled by the personnel department is “not done in isolation. In fact it derives the objectives, principles and relevance from the general plan. This happens in both the private and public sectors. In decentralized systems like ministries in Nigeria, there are levels of human resource plans which are integrated with the

organizational general plans at different levels. There are government bodies within the ministry, the ministry itself and the cabinet or the office of the chief executive which co-ordinate and supervise the ministries.

Essence of Human Resources Planning in an Organization

Human resource planning is the entry point of human resource management concerned with the determination of human resource requirements, job analysis, recruitment, selection and socialization (Oguonu, 2007). Human resource planning is also called 'Personnel planning', 'Employment planning', and 'Manpower planning'. Human resource planning is the process of determining an organization's human resource needs. It is an important factor in human resource management programs because it ensures the right person at the right place, at the right time. It helps the organization to achieve its overall strategic objective.

According to Goetz (1989), human resource planning is the process of assessing the organization's human resource needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed. It systematically forecasts an organization's future supply of, and demand for, employees. Human resource planning is the process by which an organization ensures that it has the right number and kinds of people at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. It is the analysis of future personnel requirement.

According to Khadka (2009) as cited in Anyadike, (2013) human resource planning must be linked to the overall strategy of the organization. It evaluates human resource requirements in advance keeping the organizational objectives, operation schedules, and demand fluctuation in the background. Thus, human resource planning should be future-oriented, system-oriented, and goal directed. According to him it reduces uncertainty, develops human resource, improves labour relations, utilizes human resource and controls human resource. Forecasting human resource requirements, effective management of change, realizing organizational goals, promoting employees and effective utilization of human resource are the main objectives of human resource planning.

Anyadike, (2013) asserts that, human resource planning consists of various activities. The main are as follows: (i) forecasting human resource requirements, either in terms of mathematical projections of trends in the economic environment and development in industry or in terms of judgment estimates based upon the specific future plans of a company, (ii) making an inventory of present human resources and assessing the extent to which these resources are employed optimally, (iii) anticipating human resource problems by projecting

present resources into the future and comparing them with the forecasts of requirements to determine their adequacy, both quantitatively and qualitatively, and (iv) planning the necessary programs of requirements, selection, training and development, utilization, transfer promotion, motivation, and compensation to ensure that future human resource requirements that are properly met.

Henri (1980) asserts that, Scientific human resource planning makes the organizations to acquires the right number of qualified people in the right job at the right time, focuses on corporate goal, utilizes human resource, reduces uncertainty, reduces labour cost, keeps records, maintains good industrial relation, and regularizes in production. Therefore, human resource planning is the most essential for industrial productivity. The main aims of this paper are to assess planning, human resources planning and employee's productivity. It will also look at the relationship between human resource planning and strategic planning, to identify the approaches and process of human resource planning, and to analyze the essential of human resource planning for industrial productivity and problems of human resource planning in public enterprises (Barney, 1995). This paper is basically concerned with essential of human resource planning for organizational effectiveness.

Objective of Human Resource Planning

Objectives of human resource planning in every organization are ensuring the optimum use of human resources currently employed and providing for future human resources need as regards skills, numbers and ages. This entails ensuring that the organization at all times has the right number of personnel, with the right level of skills in the right jobs at the right time and that these personnel are performing the right activities for the attainment of organizational objectives (Anyadike, 2013). However, the central objective of human resource planning in organization is to construct a strategy of human resources development consistent with the organization's broader aims of economic development.

As a plan, human resource planning seeks to define the ends and means to achieving the overall organizational goal which include the following:

1. Attracting the number of people required with the appropriate skills, expertise and competencies deficit in people.
2. Development in a well trained and flexible workforce, thus contributing to the organization's ability to adapt to an uncertain and changing environment.
3. It helps in the analysis of sources of supply of labour in order to focus recruitment efforts on the mostly supply sources.
4. It integrates personnel plans with financial plans and forecasts, and more time is provided to locate or source talent.

5. Reducing dependence on external recruitment when key skills are in short supply by formulating relation, as well as employee development strategies.
6. Improving the utilization of people by introducing more flexible system of work
7. Manpower planning establishes standard and control for human resource management and this makes adaptation to future rational.
8. It permits forecasts of recruitment needs in terms of both the numbers and types of skills sought.
9. Anticipating the problems of potential surpluses or deficits of people (Ikeanyibe, 2009).

Need for Effective Human Resource Planning

The importance of systematic and comprehensive manpower planning has been recognized only in recent years. Traditionally, management assumed that it could always obtain the personnel it required whenever it needed them. For the most part, organizations did not engage in formal human resource planning. A company may be able to get by with such a casual approach if it is small, changes little and the skills it employs are relatively simple. Anyadike (2013) states the following reasons as the need for effective human resource planning in organizations:

- i. **Future Personnel Needs:** Planning is vital for determining personnel needs for the future. To cope with future Change: Human resource planning enables the enterprise to cope with changes in competitive forces, markets, technology, products, and government regulations. Such changes often generate changes in job content, skill demands, number and type of personnel required.
- ii. **High Talent Personnel Requirement:** The mix of personnel employed in most organizations has shifted toward the high talent occupations, managerial and professional personnel. There is often a scarcity of high talent people. The time required to hire and develop such personnel is long. Much effort has to be devoted to long range career development, counseling, planned work assignments, and appropriate rewards. With many different, highly specialized, technical persons employed in the modern complex organization, and with these people performing functions that are highly interdependent, the organization becomes vulnerable if any shortage of talent occurs. Hence, planning is necessary to prevent shortage. Furthermore, technological change often up-grades some jobs and degrades others.
- iii. **Strategic Planning Essence:** The modern competitive enterprise engages in strategic planning. Top management evaluates the environment in which the organization operates, assesses the strengths and weaknesses of the enterprise, sets

objectives and determines programs for implementation. Human resource planning is an essential component of strategic planning.

- iv. **Equal Employment Opportunity Policy:** The federal government's equal employment opportunity and affirmative action regulations mandate that employer meet agreed goals for the employment and upgrading of protected categories of people in their work force. Affirmative action programs must be implemented and monitored in regard to hiring, placement, training, compensation, and advancement.
- v. **Government Contracts:** Thousands of companies and non-profit organization sell products and services to the government. To bid for Federal government contracts, a firm must supply detailed information on its manpower resources. To be competitive, it must plan for and develop appropriate human resources.
- vi. **Foundation for Personnel Functions:** Personnel planning provides essential information for designing and implementing personnel functions such as recruitment, selection, personnel movement (transfers, promotions, layoffs), and training and personnel development (Anyadike, 2013)

Limitations of Effective Human Resource Planning

The following are some of the limitation of human resource planning in organizations in Nigeria.

- 1. Absence of productivity-oriented working culture and mechanisms to encourage labour productivity
- 2. High cost of skilled labour, and training.
- 3. The low level of computer literacy couple with the unstable power supply in this era of computer-based organization structuring, hence without strong information base, human resource planning becomes a tortuous assignment.
- 4. Lack of the willingness to recognize special talents in the formal education systems and to encourage their development in specialized environments.
- 5. Poor record keeping constraining human resource planning; even though human resource planning is not necessarily numerical estimation or list forecasting of the workforce, record keeping is the hub of human resource planning.
- 6. Career guidance is not a mandatory element before the students leave schools after secondary education.
- 7. Limitations in the available systems for accreditation of training institutions, preventing the training programmes on offer to meet job market needs and international standards.

The Impact of the External Environment: The Local Labour Market and More

Human resource planning involves forecasting the supply and demand of appropriate human resources for the organization. Perhaps the most difficult part of HR planning is conducting demand forecasts, that is, determining how many and what type of people are needed. According to Bateman and Snell (2010) demand forecasts for people needs are derived from organizational plans. To produce this forecast, planners must understand the external business environment and the trends that occur within it.

The external environment impacts the human resource plan of every organization. The employment market and economic policy play a major role in the development of these plans. If the external environment cannot provide the necessary supply of key workers, the human resource plan may need to be altered. In some cases, the overall strategic plan must be re-evaluated as well. If the resources for staffing are not available, a new strategy may have to be formulated.

The Ministry of Labour influences these plans by encouraging training in specific skill areas and training of targeted groups in the labour force. Businesses are often asked to participate in these efforts and offer additional training. Firms can also take advantage of training that is provided by the government to recruit skilled workers in these areas.

Workforce needs may vary from state to state. Businesses must monitor the migration of workers in specific fields in order to identify pockets of skill concentrations. Rather than attempting to bring the workers with the appropriate skill sets to you, it may make more sense to locate the work where the workers are. To make the best strategic corporate decisions, therefore, it is important to monitor the availability of specific skill sets across the nation.

Changes in administration will bring revisions in national economic and human resource policies. Each presidential administration tends to focus on different skills areas and different groups within the labour pool. For example, one administration focused its efforts on retraining veterans. Many such programs are focused on training disadvantaged groups. In recent years much of the national human resource policy has been decentralized as more responsibilities have been shifted to the state and local levels. In this way, states can respond more effectively to their local and regional needs.

There are several source of reliable information concerning the external environment. These are: Educational institutions' enrollment statistics by major; Demographic trends and Regional population shifts.

The enrollment statistics for colleges and universities are a good indicator of the number of new graduates by major. These enrollment statistics can also be used for high schools and vocational or trade schools to provide forecasts for the expected number of individuals who will graduate trained in a specific field.

Regional population shifts will change the size of the general labour pool. As more people in the United States moved to the South, the size of the labour markets in other regions decreased while the size of the market in the South increased. The movement of works worldwide has likewise created shifts in the size of labour markets around the globe. There has been increased emigration to the developed countries from less developed countries.

Some less developed countries have been concerned with what they refer to as “brain drain”. In some cases, educated people leave to seek out more challenging jobs; in other cases, young people leave to be educated in more developed nations and then never return to their country. Such emigration leaves the country with a larger number of less skilled workers. This also means that there is less opportunity for the country to attract businesses that require more advanced skill sets in their work force.

The external environment is ripe with both opportunities and challenges. Bateman and Snell (2010) posit that externally, organizations have to look at workforce trends to make projections. All of the competitive trends must be monitored. Innovations and technological advances should also be closely followed. These technological changes may result in changes in skill sets. Jobs performed, and job openings. Political trends (including legislative changes), social trends, and demographic trends affecting the composition of the work force will also impact human resource planning. By monitoring these trends, the organization will be positioned to make the appropriate changes when needed.

A General Model for Human Resource Planning

The human resource department must determine the future skill requirements of workers in each occupation within the organization. To accomplish this objective, the human resource plan must include several distinct steps (Buhler, 2002):

1. Determine the organization objectives
2. Determine the human resource objectives
3. Forecast shortages or surpluses.
4. Determine the objectives for each employment function
5. Identify future skill sets
6. Review job design

1. Determine the Organization Objectives

The overall human resource plan is driven by the company's strategic plan. Plans are established for three different time horizons: short terms, intermediate-term, and long-term. A short-term plan traditionally covers about one year. The intermediate-term plan ranges from about two to five years, depending on the industry within which the firm operates. The long-range plan can cover from five to twenty-five years. The shorter the time horizon is, the more specific the details of the plan are. Longer time frames tend to be somewhat more general.

2. Determine the Human Resource Objectives

Once the organizational objectives are identified, it is time to develop the human resource objectives. These objectives must be aligned with the organizational objectives to ensure that the overall corporate goals are met. For example, an organization may develop a growth strategy by moving into related businesses. The human resource objectives must then be geared toward growth; that is, hiring, training and promoting individuals to support this new related business. By contrast, a firm forced to engage in a retrenchment strategy will craft a very different set of human resource objectives. Here, the focus will be on layoffs. As a result, the plan may include the development of a policy to determine who will be laid off, the creation of severance packages, and an examination of retraining for employees.

3. Forecast Shortage and Surpluses

A shortage or surplus must be determined for each job in the organization. Then it is time to develop specific action plans to respond to the finding. If surpluses are anticipated, the organization must plan to redirect extra employees. If shortages are forecast, individuals must either be trained or recruited to acquire the needed skills. These action plans must consider the general labour market. If shortages for the job category are also being forecast for the general labour market, the firm may have to revise its compensation and benefits packages, revise its recruitment strategies, and/or revise career development opportunities to attract this limited talent.

4. Determine the Objectives for Each Employment Function

Once the shortage and surpluses are identified, the human resource plan needs to determine specific objectives for each employment for recruitment, selection, training, compensation, performance appraisals, promotions, retirement (including early retirement incentives), terminations, and layoffs. Programs within each of these functions are developed to support the human resource objectives which in turn support the overall corporate strategy.

5. Identify Future Skill Sets

As jobs evolve, the skill sets that are required to successfully perform those jobs will also change. Effective human resource planning anticipates the skill sets that will be required. Examining job designs throughout the organization often leads to the identification of future skill sets. It is too late to wait until the skills are needed to train or hire individuals. The key is to be prepared and to anticipate what skills will be required. Many of professional associations and trade journals provide forecasts and future outlooks to assist organizations in anticipating what skill sets will be required in the future. The skills inventory is a valuable organizational tool that can help track the skill sets of the current work force. The inventory enables employees to be tapped for future jobs as the skill sets change. By accessing the skills inventory once the future skill sets are projected, the human resource department can identify those employees who either possess the required skills or are in a position to be trained in these skills.

6. Review Job Designs

The design of current jobs is not stable over time. Instead, job designs are dynamic; they constantly incorporate available new technology, changing job designs, in turn, impact the way job categories are configured. The ensuing ripple effect is felt through all the human resource functions. For example, changing from a manual accounting system for accounts receivable to a computerized system requires a redesign of the job. The skills required to perform the job will change as well. Either a new person must be hired or the current employee must be retrained to support the new technology. This need for an employee with higher skill levels will also require an examination of the compensation and benefits offered for that position. In addition, the need to learn the new technology will require training, thus creating a need to re-examine the employee's career path.

Process of Human Resource Planning

Different human resource management practitioners and scholars have over the years designed processes of human resource planning which differ from one writer to the other. At the same time they contain remarkable similarities which are the essentials of the process. This section focuses on the dominant similarities in an attempt to produce a near topical process. The process presented here is a combination of such similarities in the works of Azalama and Ojeifo (2007), Schultz (2004) and Czanik (2005) with the some modifications. The major activities in the process are determination of human resource objectives, preparation of a personnel inventory, and making a human resource forecast, preparing the action plan, and control and evaluation of the process.

1. Determination of human resource objectives

Human resource objectives are largely derived from the objectives of the organizational strategic plan relating to human resource for the plan period. The organizational business plan is usually made by a new organization that is preparing to take off. It continues in an existing organization. There are times an organization does not have a comprehensive business plan or a strategic plan. The top managers' would certainly have the routine objectives (short and long terms) decisions taken on production, (whether to increase it, curtail it or maintain the current level), the technology to be adopted; the production function, the skills and training required, and so on. These will guide determination of human resource objectives within the plan period.

2. Preparing Personnel Inventory and Forecast

This entails specification of labour demand and supply. Determination of labour demands is usually done jointly by the personnel manager and each unit manager. A unit manager is well placed to identify the number, types of experience etc of the workforce required accomplishing the tasks in his unit within the plan period. He makes these data available to the personnel manager. The use of computer has made this task easier. One other factor that assists him in accomplishment of the task is preparation of annual estimate by the unit manager. Similarly the unit manager prepares the labour supply. Azalama and Ojeifo (2007), identify the number of jobs holders. It entails preparation of skill inventory which is a list of job holders and the skills possessed by them. Determination of labour supply takes into consideration job holders that are due for retirement within the plan period, promote, those going on sabbatical leave and training, to name but a few within the plan period. So, determination of labour supplies entails determination of current job holders and forecasting attrition both temporal and permanent.

3. Preparing the Action Plan

A comparison between labour demand and labour supply leads to producing the action plan which is a prominent part of the plan decision. It may be observed that it is difficult or unrealistic for a comparison between labour demand and labour supply to result in a labour balance. When this happens it suggests that there has not been a change in technology adopted in production and the production function. It also implies that there are no arrangements for further training, no loss in the workforce due to disciplinary action, ill health, loss of life, etc.

It may be pointed out that it is not all labour shortages discovered in the comparison between labour demand and labour supply that lead to recruitment. Where some employees go for training, sabbatical leave, leave of absence, etc. the unit may decide that the workforce on

ground can cope for the period the workers are away. There may also be a situation of surplus in the total number of workers and at the same time shortage in some categories of specialized workers. This may result in recruitment.

4. Control and Evaluation

Control in human resource planning, is aimed at ensuring that there are no significant deviations from the goals of the plan as the process progress. Evaluation relates to a revisit to each of the stages in the planning process to ensure that it is in line with the expectation of the plan. Control and evaluation usually continues during implementation. This ensures that the goals of the plan are efficiently attained. It may be observed that it is not every situation that the organization has to wait to adopt the process before it conducts employment. Charlton (2000) and Dougherty (2002) recognized situations of urgent needs of employment which organization immediately react to. It could be a response to immediate resignation, death, etc of a member of the organization who occupies a position that has to be filled immediately. This happens particularly when there is nobody within the organization that can easily fill the position.

Like every other organizational planning, planning of human resource includes building in implementation strategy, (Ivancevich 2001; Johnson & Scholes 2002). However many management writers do not identify it as a segment of the plan. This is probably because every large organization has a personnel division. Once management direct it to implement employment plan, it already has a structure with a clear arrangement of who does what and while when it is to be done is usually contained in the management instruction.

Other Areas of Human Resource Plan

As earlier indicated under the characteristics of human resource planning in this chapter; human resource planning goes beyond determination of workforce needs within the plan period. It includes other aspect of the personnel functions like employment, managing people at work, personnel training and development, industrial relation, personnel appraisal, discipline, employee welfare etc. each of these segment is sub-plan within the human resource plan. The procedure adopted in employment is a plan. It differs from one organization to the other. Many writers have however identify a typical employment plan or procedure to include recruitment, selection, placement and induction, and personnel evaluation, (Mondy & Nof, 1996, and Swanepoel et al 2003)

Like, the employment procedure every other element of human resource management as identified above is amenable to planning. Such plans are parts of the human resources plans.

Problem of Human Resource Planning in Nigeria

Human resource planning in Nigeria has problems some of which are not a consequence of Nigeria being an underdeveloped economy. The first four problems discussed here were identified by Czanic (2005) cited in Azelama and Ojeifo (2007) as noticeable not only in Nigeria but also among many firms in developed economies.

Managements of many firms even some big ones do not accept the need for human resources planning. A piece meal approach is therefore adopted to determine the present workforce need. Where there is a new method of production to be adopted the qualified candidates are sought for. Where they cannot be found some employees are sent for training. It often leads to retention of overstaffing in many organizations particularly in the third world.

In many developed countries and in greater magnitude in underdeveloped ones like Nigeria, human resource practitioners are often regarded as personnel experts and not business experts. This can be traced to the history or evolution of the discipline. At different times in history, personnel managers were regarded as record keepers, experienced people in employment laws, etc. they are therefore not regarded as equipped sufficiently in business to be relied on to participate in designing business strategies.

There is a conflict in many managers' perception of short – term and long – term human resource needs. Such managers wrongly assume that human resource needs can always be met immediately. They believe that strategic planning for human resource need is not necessary. It has led to many firms running into serious problems particularly in the areas of changes in technology and where some experts required are not readily available.

There are situations where human resource information is not consistent with other business indicators. This may be due to regarding financial forecasting as the sole determinant of business strategy and planning. The managerial role of coordinating the requirements for appropriate corporate image, research a comprehensive, strategic, integrative business plan indispensable.

Apart from the problem indicated above which human resource strategic planning faces across the globe, in Nigeria there are peculiar problems which are found in many underdeveloped countries. On them we now direct our focus.

Unemployment has been a serious problem in Nigeria since the last quarter of 1970s. So the perception of many managers is that there are surplus job seekers in the economy. They even feel that when you employ somebody you are doing the person a favour. They therefore

assume that getting the needed labour force is not a problem. They fail to realize that human resource planning goes beyond getting the number and quality of employee the organization needs, in spite of its unemployment problem, most Nigerian universities are understaffed in the area of academic staff. One major aspect of the problem is scarcity of some categories of qualified people to fill the vacancies in Nigeria (Azelama and Ojeifo, 2007).

In the public sector even where there is human resource planning the plan is usually abandoned. This may be due to political influence. The political office holder may put an embargo on employment. Organizations in the public sector that are understaffed consequently suffer.

Many managers have lost interest in human resource planning because planners' employment procedure is not adopted. Political influence, sectionalism, primordial ties, etc. reduce merit in employment procedure. Reliable data for human resources planning are scarce as managers do not see obtaining them as relevant.

How HRP Relates to Organizational Planning

HRP involves applying the basic planning process to the human resource needs of the organization. To be effective, any human resource plan must be derived from the long-term and operational plans of the organization. In essence, the success of HRP depends largely on how closely the human resource department can integrate effective people planning with the organization's business planning process (Miller, 2001). Unfortunately, HRP is often inadequately tied to overall corporate planning.

Strategic business planning seeks to identify various factors critical to the success of the organization. It also focuses on how the organization can become better positioned and equipped to compete in its industry. To accomplish this, the planning process should provide:

1. A clear statement of the organization's mission
2. A commitment from staff members to the mission.
3. An explicit statement of assumptions.
4. A plan of action in light of available or acquirable resources, including trained and talented people (Miller, 2001)

Human resource planning contributes significantly to the strategic management process by providing the means of accomplish the outcomes desired from the planning process. In essence, the human resource demands and needs are derived from the strategic and operating planning and then compared with human resource availability. Then a variety of programs such as recruiting, training, and reallocation address the resulting gaps.

A common error occurs when human resource planners focus on the short-term replacement needs and fail to coordinate their plans with the long-term plans of the organization. Focusing on short-term replacement needs is a natural consequence of failing to integrate human resource planning with strategic planning. A nonintegrated approach almost always leads to surprise that force human resource planners to concentrate on short-term crises.

Strategy – Linked HRP

All managers especially line managers, should view human resource planning as one of their most important job responsibilities. Unfortunately, this is not often the case. Far too many managers view HRP as something to do only after everything else has been done. Furthermore, managers often think HRP should be handled solely by human resource personnel. But HRP is not strictly a human resource function. The role of human resource personnel is to assist operating managers in developing their individual plans and integrating those different plans into an overall scheme. The individual managers must, however, provide the basic data on which the plan is built. The process requires a joint effort by the individual managers and human resource personnel. In general, human resource personnel provide the basic data on which the plan is built. The process requires a joint effort by the individual managers and human resource personnel. In general, human resource personnel provide the structure, the impetus, and assistance. However, individual managers must be actively involved.

One of the best ways to encouraged genuine cooperation between human resource managers and line managers is to use what is called strategy-linked HR. Strategy-linked HRP is based on a close working relationship between human resource staff and line managers (Miller, 2001). Human resource managers serve as consultants to line managers concerning the people-management implications of business objectives and strategies. Line managers, in turn, have a responsibility to respond to the business implications of human resource objectives and strategies. Another important ingredient is the commitment of top management, which should be evident to other managers and employees.

Linked HRP to the Business Strategy

- i. To link HRP to the business strategy, HR professionals should be familiar with the business strategy, and ensure resource programs are satisfying the needs of senior and functional management.
- ii. They should identify the human resource implications of the organization's business strategy, and the human resource issues that may affect business objectives, and notify the appropriate functional managers.
- iii. The HR professionals should convert business objectives into human resource

objectives that can provide the foundation for a strategic human resource plan and review the strategic planning process to identify new opportunities to involve human resource personnel.

Steps in the HRP Process

Byars and Rue, (2004) argue that HRP consists of four basic steps namely:

1. Determining the impact of the organization's objectives on specific organizational unit.
2. Defining the skills, expertise, and total number of employees (demand for human resources) required to achieving the organizational and departmental objectives.
3. Determining the additional (net) human resource requirements in light of the organization's current human resource.
4. Developing action plans to meet the anticipated human resource needs (Ripley 1995).

As emphasized earlier, human resource plans must be based on organizational strategic plans. In practice, this means the objectives of the human resource plans must be derived from organizational objectives. Specific human resource requirements in terms of numbers and characteristics of employees should be derived from the objectives of the entire organization.

Organizational Objectives, which give the organization and its member's direction and purpose, should be stated in terms of expected results. The objectives-setting process begins at the top of the organization with a statement of mission, which defines the organization's current and future business. Long-range objectives and strategies are formulated based on the organization's mission statement. These can then be used to establish short-term performance objectives. Short-term performance objectives generally have a time schedule and are expressed quantitatively. Divisional and departmental objectives are then derived from the organization's short-term performance objectives. Establishing organizational, divisional, and departmental objectives in this manner has been called the cascade approach to objective setting.

The cascade approach is not a form of top-down planning, whereby objectives are passed down on lower levels of the organization. The idea is to involve all levels of management in the planning process. Such an approach leads to an upward and downward flow of information during planning. This also ensures that the objectives are communicated and coordinated through all levels of the organization.

When properly used, the cascade approach involves both operating managers and human resource personnel in the overall process. During the early stages, human resource personnel

can influence objective setting by providing information about the organization's human resources. For example, if human resource personnel have identified particular strengths and weaknesses in the organization's staff, this information can significantly influence the overall direction of the organization.

After establishing organizational, divisional, and departmental objectives, operating managers should determine the skills and expertise required to meet their respective objectives. The key here is not a look at the skills and abilities of present employees but to determine the skills and abilities required to meet the objectives. For example, suppose an objective of the production department is to increase total production of a certain item by 10 percent. Once this objective has been established, the production manager must determine precisely how this translates into human resource needs. A good starting point is to review current job descriptions. Once this has been accomplished, managers are in a better position to determine the skills and expertise necessary to meet their objectives. The final step in this phase is to translate the needed skills and abilities into types and numbers of employees.

Methods of Forecasting Human Resource Needs

The organization's future human resource needs can be forecasted using a variety of methods, some simple and some complex. Regardless of the method used, forecasts represent approximations and should not be viewed as absolutes (Byars & Rue, 2004).

Methods for forecasting human resource needs can be either judgmentally or mathematically based. Judgmental methods include managerial estimates, the Delphi techniques, and scenario analysis. Under the managerial estimates method, managers make estimate of future staffing needs based primarily on past experience. These estimates can be made by top-level managers and passed down, by lower-level managers and passed up for further revision, or by some combination of upper – and lower-level managers. These knowledgeable managers give their opinion on future staffing needs. These managers may also be subject area experts drawn from outside the organization.

Delphi technique, The Delphi technique, like management forecasting, is a popular qualitative approach. Each member of a panel of experts makes an independent estimate of what the future demand will be, along with any underlying assumptions, take part in round robin-type decision-making sessions. Thereafter an intermediary then presents each expert's forecast and assumptions to the others and allows the experts to revise their positions if they desire until they arrive at a consensus for the organization's human resource needs. This process continues until some consensus emerges. The consensus then serves as the forecast for the corporate strategic human resource plan. Both qualitative and quantitative

techniques are used to strengthen the effectiveness of the planning process. This approach capitalizes on the strengths of both method, combining art and science.

Scenario analysis involves using work force environment scanning data to develop alternative work force scenarios using (Byars & Rue, 2004). These scenarios are developed by having brainstorming sessions with line managers and human resource managers, who forecast what they think their work force will look like five or more years into the future. Once these forecast have been crystallized, the managers then work backwards to identify key change points. The biggest advantage of scenario analysis is that it encourages open, out-of-the-box thinking.

Markov Analysis

Although there are a number of methods for forecasting corporate human resource needs, staffing tables and Markov analysis are two of the more popular methods used today. Staffing tables are a graphical depiction of the jobs within the organization. These tables show the number of employees currently employed in each job. The future staffing requirements for each job are included as well to provide a simplistic picture of staffing across the organization. At a glance, analysts can see where the majority of the people are employed and what future projections are likely to be.

Markov analysis provides a more detailed look. In addition to showing the information reflected in staffing tables, Markov analysis includes the movement of people into and out of these jobs. That is, this analysis captures the number of employee who are being promoted, being demoted, making lateral moves out of or into the job, and leaving the organization. For this reason, it is sometimes referred to as transition matrix.

Both staffing tables and Markov analysis focus on the number of people occupying specific jobs. More organizations today are moving toward skill inventories in order to address their changing needs. Instead of listing the number of people in specific jobs, a talent inventory captures information on each employee's knowledge, skills, abilities, education, experience, and compensation history. These inventories enable the human resource department to know at a glance, then, if talent must be found outside the organization to fill labour shortages that occur.

Mathematically based methods for forecasting human resource needs include various statistical and modeling methods. Statistical methods use historical data in some manner to project future demand. Modeling methods usually provide a simplified abstraction of the human resource throughout the organization. Changing the input data allows the human

resource ramifications for different demand scenarios to be tasted. We summarize below four of the most frequently used statistical and/or modeling methods (Byars & Rue, 2004).

Techniques:

1. Time series analysis: Past staffing levels (instead of workload indicators) are used to project future human resource requirement. Past staffing levels are examined to isolate seasonal and cyclical variations, long-term trends, and random movement. Long-term trends are then extrapolated or projected using a moving average, exponential smoothing, or regression technique.
2. Personnel ratios: Past personnel data are examined to determine historical relationships among the number of employee in various jobs or job categories. Regression analysis or productivity ratios are then used to project either total or key group human resource requirements, and personnel ratios are used to allocate total requirements to various job categories or to estimate requirements to various job categories or to estimate requirements for non-key groups.
3. Productivity Ratios: Historical data are used to examine past levels of a productivity index ratios.

$$P = \frac{\text{Workload}}{\text{Number of people}}$$

Where constant, or systematic, relationships are found, human resource requirements can be computed by dividing predicted workload by p.

4. Regression Analysis: Past levels of various workload indicators, such as sales, production levels, and value added, are examined for statistical relationships with staffing levels. Where sufficiently strong relationships are found, a regression (or multiple progression) model is derived. Forecasted levels of the related indicator(s) are entered into the resulting model and used to calculate the associated level of human resource requirements.

Historically, judgmental forecasts have been used more frequently than mathematically based forecasts. Judgmental methods are simpler and usually do not require sophisticated analyses. However, with the increasing proliferation of user-friendly computers, mathematically based methods will probably be used more frequently.

In addition to the previously described judgmentally and mathematically based forecasting techniques, some organizations help forecast human resource needs by benchmarking what other successful organizations are doing. Benchmarking involves thoroughly examining

internal practices and procedures and measuring them against the ways other successful organizations operate. With regard to HRP, benchmarking involves learning what other successful organizations in the industry are forecasting and how they are arriving at their forecasts.

Your forecast and methods can then be compared to theirs. Consultants and professional organizations such as industry associations can be employed to help with the benchmarking process. A major advantage of benchmarking is that it forces you to look at other ways of doing things.

There are also software programs that use more complicated mathematical models. They often use multiple factors in these calculations. Using trend analysis, however, they still project the future based on the extension of a historical trend, regardless of the number of factors considered.

Once a manager has determined the types and numbers of employees required, he or she analyzes these estimates in light of the current and anticipated human resource of the organization. This process involves a thorough analysis of presently employed personnel and a forecast of expected changes.

Skills Inventory

A skills inventory consolidates information about the organization's human resources. It provides basic information on all employees, including, in its simplest form, a list of the names, certain characteristics, and skills of employees. Because the information from a skills inventory is used as input into promotion and transfer decisions, it should contain information about each employee's portfolio of skills and not just those relevant to the employee's current job. Byars and Rue (2004) outline seven broad categories of information that should be included in a skills inventory:

1. Personal data: age, sex, marital status.
2. Skills: education, job experience, training.
3. Special qualification: membership in professional groups, special achievements.
4. Salary and job history: present and past salary, dates of raises, various jobs held.
5. Company data: benefit plan data, retirement information, and seniority.
6. Capacity of individual: test scores on psychological and other tests, health information.
7. Special preference of individual: geographic location, type of job.

The popularity of skills inventories has increased rapidly since the proliferation of computers. Although traditionally most of the desired information was available from individual personnel files, compiling it was time-consuming before computers became readily available. Today's intranet even have the ability to conduct comprehensive skills inventories and then slot employees into training to fit the needs of the organization.

The primary advantage of a skill inventory is that it furnishes a means to quickly and accurately evaluate the skills available within the organization. In addition to helping determine promotion and transfer decisions, this information is often necessary for making other decisions, such as whether to bid on a new contract or introduce a new product. A skills inventory also aids in planning future employee training and management development programs and in recruiting and selecting new employees.

Management Inventory

Because the type of information about management personnel that may be required sometimes differs from that for non-managerial employees, some organizations maintain a separate management inventory. In addition to biographic data, a management inventory often contains brief assessments of the manager's past performance, strengths, weaknesses, and potentials for advancement. In essence, a management inventory is a specialized type of skills inventory just for management.

Anticipating Changes in Personnel

In addition to appraising present human resources through a skills inventory, managers must take future changes into account. Managers can accurately and easily estimate certain changes, but cannot so easily forecast other changes. However, information is almost always available to help make these forecasts.

Changes such as retirements can be forecasted with reasonable accuracy from information in the skills inventory. Other changes, such as transfer and promotions, can be estimated by taking into account such factors as the ages of individual in specific jobs and the requirements of the organization. Individuals with potential for promotion can and should be identified. Other factors, such as deaths, resignation, and discharges, are much more difficult to predict. However, past experience and historical records often can provide useful information in these areas.

Planned training and development experiences should also be considered when evaluating anticipated changes. By combining the forecast for the human resources needed with the information from the skills inventory and from anticipated changes, managers can make a reasonable prediction of their net human resource requirements for a specified time period.

Changes in Skill Requirements

The need for highly skilled workers has increased as advanced technology has been integrated into more jobs. The work force needs higher skill levels than ever before, and as these changes continue, training and retraining of employees must keep pace. When training lags behind demand, shortages result in lost productivity, lower performance, and poorer quality products or services. Workers today need the following higher-level skills. Ability to think critically; Ability to solve problems; Computer proficiency; Flexibility and adaptability.

Employees' at all organizational level must be able to think critically. With more advanced technology available, a large number of less challenging, routine jobs have been replaced with jobs that require employees to critically assess their work and the way in which it is being performed. Organizations are implementing process re-engineering, in which each employee is asked to assess his or her work processes and determine if there is a better way to accomplish the task. With a more creative approach to business, employees must think critically to invent that better mousetrap and to challenge the status quo.

Problem-solving has also become more complicated today. In the past, it was sufficient to be a skilled, rational problem-solver. Today's rapidly changing environment requires that employees also be creative problem-solvers. The very nature of today's problems requires workers to develop a new perspective (and a new solution) to replace timeworn solutions that are no longer working. They must constantly think outside the box.

Very few workers today can escape the need for some level of computer proficiency. Those workers who fail to develop computer skills fall behind their ability to communicate. Advanced computer technology is used extensively to provide access to the vital information that employees need to do their jobs and to communicate with one another and with customers and suppliers. In a constantly changing world, people must be adaptable. There is no time to prepare to make changes. Those who remain wed to the past will quickly find themselves left behind in a world that moves at warp speed on a daily basis. There is no doubt that the skills required to perform in this information age will continue to evolve and organizations must continue to monitor them.

Developing Action Plans

Once the net human resource requirements have been determined, managers must develop action plans for achieving the desired result. If the net requirements indicate a need for additions, decisions must be made whether to make permanent hires, temporary hires, or to outsource the work. If the decision is to make permanent or temporary hires, plans must be made to recruit, select, orient, and train the specific numbers and types of personnel needed.

If the decision is to outsource, then potential clients for outsourcing must be identified and evaluated. Outsourcing has become attractive in many situations because often the work can be contracted outside at a cost savings. One reason for this is that company providing the service may not offer its employees benefits as attractive as the parent company. Another reason to outsource is to allow the parent company to focus on its core business. There are also many environmental factors that may impact the decision to hire permanently or temporarily, or to outsource. Some of these factors include the permanency of the needs, the availability of qualified recruits, and the union contract (if applicable).

If a reduction in human resources is necessary, plans must be made to realize the necessary adjustments. If time is not of the essence, natural attrition can be used to reduce labour personnel. However, if the organization cannot afford the luxury of natural attrition, it can cut overhead either by reducing the total number of employees or by making other adjustments that do not result in employees leaving the organization.

As mentioned earlier, reducing the total number of employees is referred to as downsizing. There are basic ways to downsize: (1) layoffs, (2) terminations, (3) early retirement inducements, and (4) voluntary resignation inducements (Walker, 2001). A layoff, as opposed to a termination, assumes it is likely that the employee will be recalled at some later date. Most early retirement and voluntary resignation plans provide some financial inducement to retire early or to resign.

Approaches that do not result in employees leaving the organization include: (1) reclassification, (2) transfer, and (3) work sharing. Reclassification involves a demotion of an employee or the downgrading of job responsibilities, or a combination of the two. Usually reclassification is accompanied by a reduction in pay. A transfer involves moving the employee to another part of the organization. Work sharing seeks to limit layoffs and terminations through the proportional reduction of hours among employees (i.e. all employees in a department could be cut back to 35 hours per week instead of 40).

Other Tools and Techniques of HRP

Many other tools are available to assist the human resource planning process. The skills inventory discussed earlier is one of the most frequently used human resource planning tools.

A second useful tool is succession planning. Succession planning identifies specific people to fill key positions throughout the organization. Succession planning almost always involves the use of replacement chart. Sophisticated succession planning helps ensure that qualified

internal candidates are not overlooked. One problem with many succession plans, especially informal plans and those for large organizations, is the "crowned prince" syndrome (McElwain, 2001). This occurs when management considers for advancement only those who have managed to become visible to senior management. Another problem with succession planning is that so much information must be tracked that it is very difficult to do it manually. In situations such as this, the succession plan should be computerized using mostly data that are already available from human resources personnel.

While many variations exist, a basic organization replacement chart shows both incumbents and potential replacement for given positions. To be effective, replacement charts must be periodically updated to reflect changes in scenarios and potential requirements. Under an optimal succession planning system, individuals are initially identified as candidates to move up after being nominated by management. Then performance appraisal data are reviewed, potential is assessed, developmental programs are formulated, and career paths are mapped out.

Commitment Manpower planning (CMP)

A systematic approach to human resource planning designed to get managers and their subordinates thinking about and involved in human resource planning is referred to as commitment planning. It is a relatively recent approach to encourage managers and employees to think about human resources planning (Russ, 1995). CMP generates three reports that supply the following information: (a) the supply of employees and the promotability and placement status of each; (b) the organization's demand, arising from new positions and turnover and projected vacancies for each job title, and (c) the balance or status of supply versus demand, including the name, job, and location of all those suitable for promotions.

Ratio analysis is another tool that can aid in human resource planning. Two basic premises underlie ratio analysis as it applies to human resource planning. The first is that an organization is "vital" in terms of its human resource to the extent that it has people with high potential who are promotable, either now or in the near future, and backups have been identified to replace them. The second premise is that an organization is "stagnant" to the extent that employees are not promotable and no backups have been identified to replace the incumbents. The end product of ratio analysis is an overall organizational vitality index (OVI), which can be used as a broad measure of the organization's human resource vitality. The index is calculated based on the number of promotable personnel and the number of existing backups in the organization.

Common Pitfalls in HRP

Unfortunately, HRP is not always successful. While myriad things can go wrong, the following eight stumbling blocks are some of the most frequently encountered (Byars and Rue, 2004):

1. **The Identity Crisis:** Human resource planners' work in an environment characterized by ambiguous regulations, company politics, and diverse management styles. Unless human resource planners develop a strong sense of mission (direction), they often spend much of their time looking for something meaningful to do while the organization questions the reason for their existence.
2. **Sponsorship of Top Management:** For HRP to be viable in the long run, it must have the full support of at least one influential senior executive. Such high-ranking support can ensure the necessary resources, visibility, and cooperation necessary for the success of an HRP program.
3. **Size of the Initial Effort:** Many HRP programs fail because of an overcomplicated initial effort. Successful HRP programs start slowly and gradually as they meet with success. Developing an accurate skills inventory and a replacement chart is a good place to start.
4. **Coordination with Other Management and Human Resource Functions:** Human resource planning must be coordinated with the other management and human resource functions. Unfortunately, HRP specialists tend to become absorbed in their own function and fail to interact with other.
5. **Integration with Organization Plans:** As emphasized earlier in this chapter, human source plan must be derived from organization plans. The key here is to develop good communication channels between the organization planners and the human resource planner.
6. **Quantitative versus Qualitative Approaches:** Some people view HRP as a numbers game designed to track the flow of people in, out, up, down and across the different organizational units. These people take a strictly quantitative approach to HRP. Others take a strictly qualitative approach and focus on individual employee concerns such as individual promote ability and career development. As it is often the case, a balanced approach usually yields the best results.
7. **Noninvolvement of Operating Managers:** HRP is not strictly a human resource department function. Successful HRP requires a coordinated effort on the parts of operating managers and human resource personnel.

Conclusion

Globalization and development in technology are increasingly making competition attract managers' attention in contemporary times. To compete successfully, managers are realizing the importance of a comprehensive corporate strategic planning which has human resource planning as its part. In the public sector, globalization, pressure on the need for rapid development, increase in interaction among states, amongst others has also introduced competition among states; others have also introduced competition requiring strategic planning. Universal use of computer in management and governance has reduced many difficulties in extracting, storing and retrieving information for human resources management. So human resource planning is increasingly attracting attention across the globe.

The critical nature of engaging in human resource planning cannot be overemphasized. Failure to plan for future needs can be devastating and can possibly leave the organization with a shortage of talented individuals with the right skill sets. Only by forecasting future needs can an organization take action today to meet tomorrow's needs.

Policy Implication/Recommendations

Adopting the work of Buhler, (2002) this paper recommends that human resources managers should note the following:

1. Human resource planning is a continuous process: Planning requires constant monitoring to ensure that human resource objectives are aligned with corporate objectives. As the environment changes, corporate objectives and human resource objectives must be revised and realized. Many succession-planning systems today use committees to identify management candidates. Human resource planning can be top-down or bottom-up. Whether the forecasting process is initiated at top management levels or in the unit (i.e. bottom-up) the forecast should always include input from the managers.
2. The forecasting of human resources can be very informal. Your firm doesn't have to have a complex, sophisticated system. An informal forecasting system may be just as effective. The value of planning lies as much in the exercise as in the plan itself. The planning process requires the firm to think about the future of the business and to identify trends.
3. Avoid being unduly influenced by current job responsibilities. The responsibilities today for a given job are not generally those that will be required in the future. You must break with the old way of thinking to envision future job responsibilities. The Delphi techniques use experts to predict needs and develop likely scenarios for specific industries. Trade publications provide many of these scenarios. During the next decade, forecasts indicate that there will be millions of high-tech job openings.

References

- Anyadike, N. O. (2013). Human Resource Planning and Employee Productivity in Nigeria Public Organization; Global Journal of Human Resource Management Published by European Centre for Research Training and Development UK (www.ea-journals.org) Vol. 1, No 4 December. Retrieved on August 5, 2014
- Azelama, J. U. (1995). Office Organization and Management. Lagos: Osmoke Yakubu (Nig.) Ltd.
- Azelama, J. U. & Ojeifo. S.A. (2007), Human Resources Planning, In Bello-Imam, Oshionebo & Ojeifo (eds) (2007) Fundamentals of HRM in Nigeria, Ibadan, College Press & Publishers Ltd.
- Barney, J. B (1995), Looking Inside for Competitive Advantage, Academic of Management Executive.
- Bateman, T.S. & Snell, S. A (2010). Management: Leading & collaborating in competitive World 8th edition. New York. McGraw-Hill
- Buhler, P. (2002). Human Resources Management; Avon Massachusetts, Adams Media Corporation
- Byars, I. & Rue, W.L. (2004) Human Resources Management 7th Edition, Boston, McGrawill
- Cascio, W.F. (1992) Managing Human Resources: Productivity Quality of Life, Profit. New York: McGraw – Hill.
- Charlton, G. (2000). Human Habits of Effective Organization, Pretoria. Van Schauk.
- Czanik, M. (2005) "Human Resource Planning" in M.A. Pieters (ed) A Textbook for Human Resource Practitioners. Cape Town: Kagiso Education and CCDD.
- Dessler, G. (2001), Human Resource Management 7th Edition, New Delhi: Prentice Hall.
- Dougherty, D. (2002) Human Resources Strategy, New York: McGraw-Hill Companies.

- Goetz, B. E. (1989), *Management Planning and Control*. New York: McGraw Hill Book Company.
- Henri, F. (1980), *General and Industrial Management*: New York: Pitman Publishing Corporation.
- Ikeanyibe, O. M. (2009) *Principles and Practices of Public Personnel Administration: A Nigeria perspective*; Onitsha Perfect Image.
- Ikelegbe, A.O. (1996) *Public Policy Making and Analysis* Benin City: Uri Publishing Ltd.
- Ivancevich J.M. (2001). *Human Resources Management*; New York: McGraw-hill.
- Izueke, E. M. (2009). "Strategic Human Resources Management in the Nigerian Public Service and the Millennium Development Goals (MDGs): The Nexus" in *Nigerian Journal of Public Administration and Local Government*. Vol Xiv, No 1 & 2, 2009.
- Johnson, G. & Scholes, K. (2002) *Exploring Corporate Strategy: Text and Cases* UK: Prentice Hall, Pearson Education.
- Miller, E. C. (2001) *Strategic Planning Pays Off*, *Personnel Journal* April
- Mondy, R.W. & Nof, R.M. (1996) *Human Resources Management*, U.K. Prentice HallPeartson Education Inc.
- Oguonu, C. N. (2007) "Manpower Planning in Nigerian Organization" in *International Journal of Studies in the Humanities (IJSOH)* Vol 4 2007
- Onah, F. O. (2008). *Human Resource Management*. (2nd Edition) Enugu: John Jacob's Publishers Ltd.
- Russ, C. F. (1995) *Manpower Planning System: Part One* *Personnel Journal* January p.41
- Ripley, D.E. (1995). *How to Determine Future Work force Needs*, *Personnel Journal*, January
- Schultz, H.B. (2004) "Workforce Planning and Recruitment" in P.S. Nel (ed) *Human Resources Management*. Cape Town: Oxford University Press.

Swanepoel B.J. Erasmus, E. Van. WYK, M and Schenk, H (2003) South African H u m a n Resource Management: Theory and Practice. Cape Town: Juta.

Walker, A.J. (2001). How the Web will change the \structure of HR. in Web-based human Resources (McGraw-Hill). Retrieved on July 20, from web site, www.work-force.com.

14

Office Management: Conceptual Discussion

Erigbe, P. A.

Department of Business Administration
College of Management and Social Science
Oduduwa University, Ipetumodu
P.M.B 5533, Ile-Ife, Osun State.

Modern business is complex. A business organization is today faced with ever-changing conditions. The present decade and the next are only the decades of changes and challenges in our country. The manufacturing techniques are undergoing a rapid change and so also the techniques of management. The techniques of manufacture must be matched with the techniques of management. They are complementary to each other. The management techniques have to master the simple calculating machine as the complex computer. They also have to take care of the new emerging human relations in business.

Meaning of Office

The term office has been defined in many ways. In a simple form, it can be described as a place where some "business is carried on". This is an adequate definition of office. Denyer (1969) describe it as a place where clerical operations are carried on. Although the definition given by Denyer falls short of the modern concept of an office, yet it does convey an idea about its functional aspect. The term Office is intimately connected with clerical operations. It is those concerned with paper work. The term Office is to be identified with an activity and not a paper.

Sannie (2009) defined office as any place that is set aside for handling information. Office can be described as any place where information is documented, presented and used for current and future operation of business.

Office management is to apply effectively all the managerial skills towards achieving the objectives associated with the office function of providing appropriate information and a communication network to all sectors of the organization.

At senior executive level, which implies overall responsibility of all office activities, this function is now termed "administrative management" in most organizations. At middle management level, where responsibility is usually for a system consisting of a number of procedures, the term departmental office manager is generally used. However, at lower management level, where responsibility for one or a few procedures generally applies, the title could be 'office supervisor or chief clerk' in a large firm.

Importance of Office

Office can be described as an important part of an organization. The very existence of an organization or institution is based on the office whether it is a government department, a business enterprise or an educational institution, office is vital for its functioning. To sum up, the importance of the office arises due to the following factors:

1. Office as information center: It can be described as the information centre of data bank of an organization. All kinds of information and figures, whether past or present, are available in the office.
2. Channel of communication: It is a channel through which communications, especially written ones move from top to bottom and vice-versa.
3. Aids in coordination: The process of coordination is almost impossible without presence of office. Office furnishes the machinery for coordination.
4. Aids in managerial control: Control can be described as the measurement and correction of the performance of subordinates in order to make sure that enterprise objectives and the plans made to achieve them are accomplished. Control is thus a necessary function of management.
5. Importance vis-à-vis workers: Effective human relations require effective organization. Preparation of large and salary sheets and their payment are the responsibilities of office.
6. Importance of vis-à-vis shareholders and creditors: Office serves a link between the shareholders on one hand and company on the other. Similarly, office links the creditors with the organization and has to act as serving department for them.
7. Importance in relation to customer: The importance of office in relation to customers is of great significance. Office acts as the channel that links the business organization with its customers.
8. Importance in relation to government and general public: Today, a business organisation is recognized as a social institution.

Functions of Office

The functions of a modern office can be classified into two categories:

- a) Basic or routine functions and
- b) Administrative management functions

Basic or Routine Functions

The office has been said to provide a service of communication and record, in fact a leading spokesman of the institute of office management has referred to the office manager as the "information officer". The basic functions of the modern offices are as follows:

- 1) Receiving and collecting information: The office receives and collects information about the various activities of the organization. This information may be from:
 - i) The internal sources: In the normal course of their functioning, various divisions or department receive and gather information to perform various management tasks. I.e. the different department, sections or divisions of the organization.
 - ii) The external sources: Information is also received and collected from outside sources by the office. The information may be received or collected from the government departments, financial institutions, research institutions, universities and general public.
- 2) Recording Information: The information received and collected must be given a suitable shape. This is done by converting the information into the written record.
- 3) Arranging or processing information: This is a vital function of the office. In fact, it is perhaps the most information basic function of the office. The information received cannot be used by the management the way in which it has been received.
- 4) Communicating information: All accumulated and processed information is useless unless it is put to further use. The office furnishes two-way channel for information, it receives information and then it transmits the same to the relevant department for their use. Classification of information to be communicated may be on the basis of its nature, time, etc. it is of the following categories:
 - i) It may be 'routine information' or special information.
 - ii) Information to be communicated may be oral or writing.
 - iii) Information may be "internal information or external information.
 - iv) Another category of information is the "active information" and the "passive information".
 - v) The information may also be the past information or the future information.

Administrative Management Functions

The functions discussed above are the basic functions of the office, but there are certain administrative management functions which are to be performed for the smooth functioning of the office. Following are some of the important administrative management functions.

1. Safety and record of assets: The office keeps in safe custody the records of assets of business. Besides it is also responsible for their upkeep and safety.
2. The assets are protected against hazards of fire and theft through insurance and other means.
3. Function of management process: Various processes of management account for the efficient functioning of an organization. In brief these processes are, planning, organizing, staffing, directing, communicating, controlling, coordinating and motivating.
4. Instituting office systems and routines: In any modern organisation it is necessary to institute systems and routines. Systems and routines indicate a systematic and planned approach to the problem of management.
5. Forms designing and control: Preparation of records is a basic function of the office. Offices are used extensively for the purpose of preparing records.
6. Stationery and supplies control: Stationery and other supplies also require careful purchasing and proper storage. In today's office, stationery is a costly consumable material.
7. Selecting and purchasing of office machines, equipment and furniture: Modern office requires for its functioning proper types of machines, equipment and furniture.
8. Recruiting, training, placing and remunerating office personnel: Although the problem of personnel is a part of the total management process, yet it would be essential to pay special attention to the personnel at all levels in the office.
9. Effective public relations: Public relations are very important aspect of the functions of modern office. The public relations are: (i) to keep the management informed about the changing public opinion. (ii) To communicate probably to the public the policies, aims and objectives of the organization.

The Office Manager

Office manager is used to describe the middle management level operating within the administrative function. The office manager's role may be recognized by considering the typical duties and responsibilities of the four distinguishable levels in administrative organizations:

1. The Administrative Manager: The office manager is responsible to the administrative manager, who is located in the organization at a point where all the

systems and clerical activities peak, which is at senior executive level. A typical list of responsibilities assigned to administrative manager is:

- a) To effectively control the administration functions throughout the organization at minimal cost
 - b) To comply with legal requirements
 - c) To provide an efficient communication network
 - d) To ensure full use is made of information technology consistent with cost benefits.
 - e) To co-ordinate and integrate all clerical activities with view to optimizing the main objectives of the concern.
 - f) To approve a master budget for all administrative activities and submit it to the managing director.
2. The Office Manager: At departmental level it is likely that a number of supervisors will be reporting to the office manager. Each supervisor will be responsible for a section which may be limited to dealing with one procedure or may deal with more, depending upon the size of the organization. A representative list of the office manager's responsibilities would be :
- a) To control the system and procedures within his department.
 - b) To coordinate the clerical activities with other departments
 - c) To ensure optimum use of all machines and equipment
 - d) To maintain an effective group of staff
 - e) To work within the agreed budget
 - f) To maintain a close link with the administrative manager
3. The Office Supervisor: Sometimes the office supervisor is referred to as section leader and he may be responsible for six to ten group leaders or senior clerks, each one dealing with a segment of the procedure which is known as an activity. A typical list of his responsibilities would be :
- a) To run the section on a day to day basis
 - b) To control the clerical staff in his section
 - c) To advise, guide and instruct staff
 - d) To maintain discipline and sanction staff where necessary
 - e) To utilize supervisory skills in the most efficient way
 - f) To control output in terms of quantity and quality of work, timelessness and cost
4. Group Leader or Senior Clerk: Although the senior clerk is responsible for a group of about three to six clerks, it is not unusual for him to spend as much as 80% of his time on clerical duties.

The Purpose of Clerical Activity

The purpose of any activity may be defined as the design of effecting something, or the thing it is designed to effect. The definition includes all the main elements of office management described below, provided that the term service is employed in its broad meaning to include information technology and all its associated activities.

The Main Elements of Office Management

- i) Management Skills: These must be applied effectively making office management both an art and a science
- ii) Administrative Knowledge: An abundance of knowledge in the various disciplines and knowledge areas is essential
- iii) Clear Objectives: The aims must be concise and in the various disciplines and knowledge areas is essential
- iv) The Office Function: This function represents the work the office is designed to perform namely to receive, record, arrange and give information wherever and whenever it is needed throughout the organization.
- v) The Communication Network: The flow of information in many diverse directions depends upon the provision of a formal and informal comprehensive network of communication channels.
- vi) The Staff and Environment: The successful operation of the function rests with administrative staff and their degree of effectiveness within the environment they are expected to work in
- vii) Software and Hardware: The provision of suitable forms, systems, procedures, and other paperwork, machines, equipment and technique is an essential support feature which demand constant attention safeguarding.

Current Problems in Office Management

Practicing office managers will be well aware of the main difficulties associated with their function. The potential office manager must be prepared to accept the difficulties which underlie the job and he should work towards overcoming them eventually. Ten typical problem areas are now illustrated.

- 1) Recognition: Although there are indications that more and more concern are recognizing the importance of the administration function, many organizations are still not geared towards acceptance of his concept.
- 2) Development of Information: The teething troubles with any new technology tend to detract from its immense possibilities.
- 3) Assignment of blame: There is distinct tendency to blame the technology if a scheme associated with it fails.

- 4) Indistinct objectives attainment: Objectives are easy to state but it is very difficult to prove that they are being approached or achieved if the results are not measurable in quantitative terms. Unfortunately some of the objectives in office management and administrative management are qualitative. Their achievement often depends upon personal opinion and it is impractical and impossible to separate other influencing factors which affect the outcome of operational effectiveness in this function. It is essential to have goodwill and an understanding of the evolving situation in which the function plays its part.
- 5) Cost-benefit analysis: Closely connected with the problem mentioned above is the complexity of rising costs in office work.
- 6) Overall control: The problem of actually finding a suitable senior executive who possess the high capability necessary to control this function effectively is difficult to solve at present.
- 7) Information requirement: One of the unfortunate features of administrative inefficiency is that management' information requirements are not accurately known. The cause of this problem is debatable. There are two extreme schools of thought: One feels that each manager should say what information he requires and the other feels that the administrative manager should decide. One solution is to discuss information requirement together, thus using both parties more effectively.
- 8) The leadership problem: An entirely different form of leadership is needed to cope with the current situation in industry and commerce compared with thirty years ago.
- 9) Technology change: A problem which is shared by all specialist is one involving the work of keeping pace with technological change.
- 10) Co-coordinating company activities: The professional administrator is fast becoming involved in the coordination and steering activities of the business alongside other professionals.

Office Organisation

An office or any business concern needs to manage human and material resources effectively and effectively in order to survive. Organization is a system of consciously coordination of activities of people.

Principle of Organization

1. Objectives and purpose: Organization must provide the framework within all activities to achieve the overall organizational objectives and mission.
2. Work specialization: Work specialization is the degree of which task in the organization are sub divided into separate jobs.
3. Span of control: This is the number of subordinates a supervisor can effectively and

- efficiently manage; the span of control limits the number of subordinate reporting to as superior.
4. Delegation of Authority: This is the resting of decision making powers on a subordinate by his superior.
 5. Co-ordination of activities: Coordination is a facilitative function aimed at integrating the other managerial functions and activities to achieve goals and objectives.
 6. Responsibility: These are jobs or assignments or duty that an individual must deal with and take decisions relating to them.

Forms of Organization

Functional organization

This is an organization where all types of similar work of the organization are grouped into units, sections and departments managed by executive. The manager in these functional areas has the authority over all employees in this function.

Advantages

- a) The functional efficiency of the worker is maintained
- b) Greatest use of division of labour
- c) Mass production is made by standardization and specialization
- d) Methods and operations can be standardized
- e) The system is based on expert knowledge

Disadvantages

- a) Too many, expert and bosses create confusions in the mind of workers
- b) It is difficult to fix responsibility on workers
- c) There is often contradictory orders from different superior expert on the workers

Line Organization

In this type of organization authority flows from top to bottom, through the use of delegation, subordinates are responsible to their immediate superior.

Advantages

- a) It is simple to work with
- b) It is economical and effective
- c) It facilitates quick decisions and prompt actions
- d) Quick communication is easy

Disadvantages

- a) The organization is rigid and flexible
- b) It works on a dictatorial basis
- c) In big businesses it does not operate satisfactorily

Line and Staff Organization

This is a hybrid of line function and staffs function. The line officers carry out the functions within the organization while the staff officer advises them and provides support services.

Advantages

- a) It is based purely on specialization
- b) It pay more attention to expert knowledge
- c) It may increase efficiency of operation

Disadvantages

- a) There may be confusion if the responsibilities are not clearly indicated
- b) Workers may misinterpret expert advice given through line managers

Committee Organization

A committee is a group of people who meet to discuss or make decision on a particular matter. Committee organization is used for discharging advisory functions of management.

Advantages

- a) It facilitates coordination of ideas and activities of various department
- b) It is a good media of training employees
- c) It provides improved motivation and morale of employees
- d) It promotes mutual understanding, team work and cooperation among employees

Disadvantages

- a) It consumes time
- b) Difficulty in reaching agreement on decision
- c) Indecision may lead to a breakdown of group action

Office System and Procedure

A system is a way of working, organizing which follows a fixed plan or set of rules. A system is a pre-planned approach to the day to day work to attain the set goals. Office system is therefore a standard sequence of operations in a particular business activity and how these operations are performed and where they are performed.

Office Procedure

A system is composed of a number of procedures. Office procedures are series of logical acts organized under supervision to accomplish the purpose of the office. Office procedure is a series of logical steps by which all repetitive business actions is initiated, performed, controlled and finalized.

Method

A method is a manual or a particular way of achieving a task. Method can also be a mechanized means and devices of performing a task or an operation. Methods are used to attain procedures and various procedures makes a system.

Characteristics of Functional Office System

- I) Adaptability
- ii) Acceptability
- iii) Dependability
- iv) Flexibility
- v) Resourceful
- vi) Systematic

Eleven principles of office system and procedure

- i) To have a good flow of work without bottle necks
- ii) To avoid duplication of work and records
- iii) To reduce unnecessary movement of staff
- iv) To avoid unnecessary writing
- v) To make the best use of specialization
- vi) To keep the amount of paper work to the minimum
- vii) To use the principle of management by exception
- viii) To make as few exceptions to the rule as possible
- ix) To avoid unnecessary checking
- x) To make the best use of machines
- xi) To seek simplicity

Need/Reasons for/Importance of System and Procedures

- i) Office efficiency is improved
- ii) Delay can be avoided
- iii) Responsibilities can be assigned to a particular employee
- iv) Better control of work is possible
- v) Better coordination is possible'
- vi) It frees the management from repetition of orders

Office Manuals

Office manuals are document or a book that contains the details of the entire office duties and other related issues. It is the office system and procedures in the book form. It contains general informations, office rules and regulations, safety instructions, job description, office facilities, executive relationship etc.

Benefits of organizational manuals

- a) It makes supervision of work in offices easier
- b) Office manual clarify doubts when they arise
- c) It is a source of ready information at anytime
- d) It enhance the understanding of how employee perform their jobs
- e) It include delegation authority and assignment of duties

Delegation

The office work is designed with the belief that no one person can do all the work at the same time, therefore the need for delegation. Delegation means assigning work or tasks to others and giving them the required authority to do it.

Importance of Delegation

- a) Delegation is necessary for performance of the organization
- b) It allows superiors to be released and have less burden
- c) It reduces workload
- d) It helps train subordinates

Elements of Delegation

Three major components of delegation are authority, responsibility and accountability.

1. **Authority:** According to Simon, authority is the power to make decision which guide the actions of another. It is a relationship between two individuals, one superior and the subordinate.
2. **Responsibility:** Responsibility is the work, task or duty assigned to a subordinates. It can also be define as the work assigned to a position.
3. **Accountability:** It is the stock taking of tasks, duties, events that has been assigned to the subordinates.

Centralization and Decentralization of Authority

Centralization and decentralization are the qualities that make up authority. Thus, the two are closely connected with the delegation of authority. Centralization is the systematic and consistent reservation of authority at central points within an organization. Centralization of

authority means all office works are carried on in a central place and managed by a single top official. In other words, centralization refers to the concentration of decision making.

Decentralization on the other hand, is the systematic effort to delegation to the lowest level, all authority except that which can only exercised at the central points. Decentralization is closely linked with the delegation of authority. Decentralization of office therefore means that each department of the concern possesses its own office (Bako & Taiwo, 1998).

Advantages of Centralization

- 1) The office manager can distribute the work equally amongst the member of the staff
- 2) There is elimination of under centralization duplicators, typists, etc.
- 3) There is possibility of better supervision by a single man
- 4) Each worker will have to perform a particular type of work
- 5) It brings uniformity of action
- 6) There is no need to give overtime work to any department
- 7) Quick decisions can be taken

Disadvantages of Centralization

- 1) There is a delay in getting information because if information is needed, the central office must be approached
- 2) The section-heads suffer from an inferiority complex for every information, the central office (supreme) is to be approached
- 3) The staff working in the central office may feel proud, at the same time such feelings may wound the staff working in different sections
- 4) It is possible that mistakes or errors will creep in since the central office is overloaded
- 5) Too much concentration of authority or control over others may spoil the interest and initiative of the subordinates
- 6) There is delay in the accomplishment of work owing to the transmitting of the records from and to centralized units
- 7) Needs for Decentralization of Authority
- 1) Larger size of an organization needs decentralization
- 2) Growth and diversification of activities leads to overburdened work
- 3) The increase in competitive markets calls for decentralization
- 4) Training executives leads to decentralization
- 5) External and internal factors lead to decentralization

Factors Affecting Decentralization

- 1) Costliness of the decision: The general principle is that more costly the action to be decided upon, the more probable it is that the decision will be made at the upper levels of management.
- 2) Uniformity of Policy: Decentralization is essential for having uniformity of policy.
- 3) Size: The larger the enterprise, the greater the number of levels and the decisions to be made at each level.
- 4) History of the enterprise: Often those enterprises which grow from within have a greater degree of centralization and those which have a large size due to mergers or initial decision shall have a greater degree of decentralization.
- 5) Desire for independence: The desire for independence is inherent in all men and it is more so in more dynamic amongst them.
- 6) Availability of managers: The shortage or otherwise of management personnel affects the degree of decentralization.

Office Accommodation and Layout

The central objective of all management process is to get the work done willingly at the lowest cost. Office management aims at getting the work done in the office at the lowest cost through proper selection and training of staff and the machines and equipment that they use. The efforts of the best kind of equipment would not produce the desired amount of efficiency unless the environments are congenial to efficient working. Hence there is the need for sufficient accommodation with the right type of amenities imbibed in it. Suitable and congenial accommodation affects favourably the mental and physical well-being of the office worker; he is bound to be more efficient since he feels that he is properly looked after in terms of accommodation. Although in our country, office accommodation is not been paid the attention it deserves, yet over the last two decades or more, government as well as business are showing a greater awareness about this aspect of the office. We now find well maintained offices in the sphere of business.

Factors to be considered to Provide Accommodation

The following factors are to be considered in providing the right type of office accommodation:

1. Locating the Office building

It is necessary to locate the office building properly. A bad location destroys efficiency as it results in loss of time and causes inconvenience and annoyance to the office workers as well as the outsiders who deal with the organization. It is difficult to state precisely as to what is the best location. Each organization whether business or non-business, has to select its own site by taking into account the various factors that affect its functioning.

Choice of location: Urban or Sub-urban

The management has to take a major decision as to whether the location of the office is to be in an urban area (or a large city or town) or in a suburban area, situated at a distance from a city but quite closely connected with it by means of transport and communication. In the west, there has been an increasing tendency to locate offices away from urban concentrations to suburban areas. The reasons for such a tendency have been many. Some of the more important of the reasons are (i) higher cost. (ii) Over-crowding and congestion (iii) growing transport and communication facilities (iv) shift in industrial activity etc.

Centralized versus decentralized location.

Large concerns, which had traditionally operated from a single location, are now following the pattern of setting up branches in different parts of the country. They are doing so to take advantage of factors like local raw materials, labour supply, regional markets, transport economics and such other factors which influence their functioning. Some of the concerns (like Hindustan machine tools HMT) have tried to keep each plant small enough for convenient administration and for closer labour management relations.

Factors Affecting office Location

Once a decision has been made as to urban or suburban location, it would be desirable to consider the following factors for choosing the office building.

- i. Availability of means of transport: The office should be so located that efficient means of transport. This would ensure smooth functioning of the office. Location near a railway station, inter-state bus terminal or airport is of great advantage to certain types of businesses.
- ii. Availability of various service facilities: Service facilities as banks, insurance companies, post offices road transport company's offices, retail stores and restaurants ensure greater efficiency of the business since they are to be used by the staff as well as the business.
- iii. Relation of office with other units of the enterprise: It would be worthwhile to locate the office in the same building as the factory if the firm is a manufacturing firm. Similarly the location of the office would be influenced by other activities of the business, e.g. sales. Proximate location of different units of the same business results in saving of line of communication between different units of the organization, better parking facilities, better public relation and better personnel servicing.
- iv. Relation of office with surroundings: it would be ideal to locate office building in a manner that the surroundings are healthy. Noise, firms and congestion in an area have a bad effect on the health and efficiency of the office worker.

- v. Effect of localization: If the office is located at a place where the offices of units carrying similar business are located, it would ensure reputation and better customer service. But this cannot be a guiding factor. In fact over the last one decade or so, there has been a tendency against this type of concentration in our own country due to better means of communications (telephone and telex, etc.) and improved transport facilities.
- vi. Central, state and local taxes: such taxes too influence the location of the office. Lower taxes on property, manufacturing and sales, etc in a given area may be helpful in locating the office in that area. But the tax advantage will have to be considered in the light of other factors of location.
- vii. Getting the required space: Before finally deciding the location, it would be essential to find out whether the minimum required space is available in a given location. It is an important factor that puts a constraint or choosing a preferred location.

2. Securing the required Office Accommodation

Once the location has been finalized, it would become necessary to choose office space or building. Such office space or building should be of adequate size and proper shape to suit the requirement of the organization. Besides, the space secured must allow for expansion of the office in future.

Ownership versus lease

One of the basic questions as to office building is whether it is to be owned or taken on rent or lease. This is a policy decision which is to be taken by managers at the top.

3. Size of Office Accommodation

Once a decision is to whether the office space is to be owned or taken on lease has been made, another decision to be taken along with that is the decision as to the size of the office accommodation.

The size of the office accommodation must be such that it suits the present needs and allow for possible expansion in future. To provide for the future growth of the office, it is necessary to find out the rate of growth of the business and the effect that this growth will have on the office. However, it is desirable to avoid the provision of unnecessary space for future use, if the growth rate cannot be calculated with some certainty because it means payment of rent for the unutilized space. However, it is necessary to provide adequate space for machines and equipment and the personnel in and the least inconvenience.

4. Shape of Office Accommodation

Shape of the office accommodation is an important factor to be considered while procuring space. The shape of the accommodation may be square, rectangular, I-shaped, narrow and long, vertical or horizontal. There are two important reasons why proper shape should be selected. Firstly, lot of space may be wasted in providing for corridors and space is narrow and long, the cost of providing space may be unduly high. Other things being equal, rectangular shape of the office is ideal. It ensures better utilization of office accommodation and greater efficiency of the personnel as they move over a limited area.

5. Lighting and Ventilation of the Office Space

Adequate and proper lighting and ventilation of the office building or space, is of great importance since this has an important effect on the efficiency and morale. A well-lighted and ventilated accommodation put lesser physical and mental strain on the office worker and consequently, his morale is higher.

6. Layout and Facilities for Office Organisation

Modern business rests not only on its personnel and equipment but also how they are arranged. Much of the efficiency of men and machines in the modern office depends upon their layout. In the modern office, the internal arrangement must take place on the basis of the office systems and structure of organization.

7. Customer and Staff Convenience

In selecting or constructing office accommodation, it is necessary to provide properly for the convenience of customers and staff.

Departments such as sales and cash, which are visited more frequently by customers, should be so located that they have an easy accessibility.

8. Cost of Office or Accommodation

It is the most important single factor that would ultimately determine the choice of the office building location as well as its size and internal arrangements. The management should aim at striking a balance between the total requirements and the capacity to pay for office space. While balancing these two factors, it is necessary to keep in mind the efficiency factor. However, the cost of space should be within the means of the business but at the same time efficiency cannot be sacrificed merely for the sake of economy in cost.

9. Miscellaneous Considerations

There are some other considerations which must also be borne in mind while selecting office space or accommodation. More important of these are flexibility of the space to match the changing needs of business, ease in installing machines and equipment, safety of the machines and equipment and safety of the personnel in the office.

Reference

Bako, Y. A & Taiwo, A.A. (1998). Office Management & Organisation: Kinsbond Publishers, Mushin, Lagos, Nigeria.

Denyer, J. C. (1969), Office Management, the English Language Book Society and Macdonald and Evans Ltd London.

Enikanselu, S.A. (2012). Office Management; Enykon consult, Yaba, Lagos.