

ENTREPRENEURIAL COMPETENCIES REQUIRED BY SECONDARY SCHOOL GRADUATES FOR ESTABLISHING SMALL AND MEDIUM SCALE ENTERPRISES IN GWAGWALADA AND KWALI AREA COUNCILS OF FEDERAL CAPITAL TERRITORY, ABUJA

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ABSTRACT

This study sought to identify the entrepreneurial competencies required by secondary school graduates for establishing small and medium scale enterprises (SMEs) in Federal Capital Territory (FCT), Abuja. Three research questions were developed and answered in line with the purpose of the study. Three hypotheses were also formulated and tested at the probability of 0.05 level of significance at 375 degree of freedom. Descriptive survey design was adopted for the study. The study was carried out in Gwagwalada and Kwali Area Councils. Sample for the study was 377 made up of 278 secondary school teachers and 99 entrepreneurs. A 27 competency item questionnaire was developed from literature reviewed and had a four (4) point response scale of Highly Needed (HN), Averagely Needed (AN), Slightly Needed (SN) and Not Needed (NN). The questionnaire was face validated by three experts. Reliability of the questionnaire was determined through split half technique and yielded a coefficient of 0.78. The questionnaire was administered on 377 respondents. All the copies of the questionnaire were retrieved and analyzed using weighted mean and standard deviation to

answer the research questions, while t-test statistic was used to test the hypotheses. The result of the study revealed that 22 competencies were required for success in SME enterprises. The study also revealed that there was no significant difference in the mean ratings of the responses of secondary school teachers and entrepreneurs on competencies required in planning and managing enterprise. It was recommended that the entrepreneurial competencies identified by the study be packaged into a training program for empowering interested secondary school graduates for employment in SMEs.

INTRODUCTION

The educational system has always played an indispensable role in shaping the economic realities of any society. Secondary school graduates as stated in the National Policy on Education are expected to secure employment, set up their own business invariably, becoming self employed and be able to employ others (FGN, 2004). These goals are yet to be achieved, due to lack of the necessary entrepreneurial competencies that will enable them to be self employed (Aina, 2000).

The high rate of unemployment among secondary school graduates has been attributed to lack of skills and competencies required in the world of work. Ifedi (1982) in his reaction agrees that one of the main causes of unemployment among college graduates is lack of employable skills. Many unemployed, according to Uzoagulu (1985) do not possess the necessary skills which the modern economy demands. Thus, we are faced with the burden of surplus unemployable manpower, resulting in massive unemployment of secondary school graduates. The need for every Nigerian youth and graduate to strive for self-reliance through self-employment calls for the acquisition of entrepreneurial skills and competencies which is a sine qua non for any meaningful self employment strategy.

Entrepreneurship according to Nwokolo (1997) is the acquisition of skills, ideas and managerial abilities necessary for personal self-reliance. Nwafor (2007) also defined entrepreneurship as the willingness to seek out for investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identified opportunities. Aminu (2008) explained that entrepreneurship is the process of creating something new with value, by devoting the necessary time and effort to bear the company risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. He argued that, a typical entrepreneur is a risk taker, a man/woman who braves uncertainty, strikes out on his own, and through nature with devotion to duty and singleness of purpose, somehow creates a business and industry activity where none existed before. Schumpeter in Aminu (2008) also viewed an entrepreneur as an individual or group of individuals who either undertakes the

responsibility of making innovations in the economy or carries out a new organization of industry. In other words, an entrepreneur is any one or groups of individuals who creates a business, establishes it and nurse it to growth and profitability or takes over an existing business with sole purpose of introducing new goods and services or developing new sources of materials, and continues to build and innovate on it. When a secondary school graduate set-up a business of his own where he can apply the knowledge and skills acquired in the school after graduation for production of goods and services, it is known as Small and Medium Scale Enterprises (SMEs). A secondary school graduate who possesses adequate skills and is competent in the management of business venture or enterprise can become an entrepreneur.

Competence is the combination of knowledge, skills and attitudes that can be developed through training and which are adequate for accomplishing some specific tasks. Competency is described as ability to do something well measured against a standard, especially ability acquired through experience or training. Ely (1989) viewed competencies as essential knowledge and skills obtainable in a profession and those which the professionals in the field must possess and are able to demonstrate at optimal level of acquisition and functioning. A student is competent as long as the knowledge, skills and attitudes that constitute the competence are part of him and enable him to perform effectively within certain work practices as entrepreneur.

Moody (1992) defined entrepreneur as a person who owns, manages and assumes financial risks in business venture. The individual perceives business opportunities and takes advantage of the scarce

resources but requires some competencies for success in the business. Therefore, entrepreneurial competency in the context of this study is regarded as the knowledge, skills and attitudes acquired by students through years of training in schools to identify business opportunities, stimulate creativity and transform ideals into practical and economic activities for maximized output in business enterprise. In this study, the entrepreneurial competencies needed by secondary school students for establishing SMEs will be identified. If the competencies are identified and utilized to improve the existing curriculum of secondary school education, it will help to better equip the students with competencies for employment and economic benefits after graduation.

Statement of the Problem

Many graduates of the secondary education system are unemployed because they do not possess appropriate skills needed by the employers of labour to build on. Furthermore, most of these graduates do not possess entrepreneurial skills and competencies that will enable them establish and manage a small business enterprise so as to become self-employed and self-reliant on graduation. Since the curriculum employed in the secondary schools are inadequate to prepare the students to face the challenges of the world of work, many of these students when they graduate, are found in the street without job because their training is inadequate for social needs (Olaitan, 1996). The social evil and economic handicap of unemployment of secondary school graduates can only be stemmed if they acquire adequate entrepreneurial skills and competencies that will enable them be self-reliant when out of school.

Hence, there is need for integration of

entrepreneurship education into the secondary school curriculum. This is to enable teachers develop entrepreneurial skills and competencies in their students.

Purpose of the Study

The purpose of the study was to identify entrepreneurial competencies needed by secondary school graduates for establishing SMEs. Specifically, the study sought to determine the entrepreneurial competencies needed by secondary school graduates in

- (i) planning an enterprise
- (ii) managing an enterprise.
- (iii) and general competencies required for an enterprise

Research Questions

- 1 What are the planning competencies needed by secondary graduates for establishing SMEs?
- 2 What are the managerial competencies needed by secondary graduates for establishing SMEs?
- 3 What are the general competencies needed by secondary graduates for establishing SMEs?

Hypotheses

- HO₁ There is no significant difference between the mean responses of teachers and small and medium entrepreneurs on the planning competencies needed by secondary school graduates for establishing small and medium scale enterprise
- HO₂ There is no significant difference between the mean responses of teachers and small and medium entrepreneurs on the managerial competencies needed by secondary school graduates for establishing SMEs
- HO₃ There is no significant difference between the mean responses of teachers and small and

medium entrepreneurs on the general competencies needed by secondary school graduates for establishing SMEs

Methodology

A descriptive survey design was used for the study. The study was carried out in all the secondary schools and small scale enterprises in Gwagwalada and Kwali Area Councils of Federal Capital Territory, Abuja. The population for the study comprised 2554 secondary school teachers and entrepreneurs in the two Area Councils. The sample consisted of 278 teachers drawn from 22 public secondary schools and 99 entrepreneurs in the two area councils. The population comprised all the secondary school teachers (numbering 1850 teachers and 655 small scale entrepreneurs) in the two councils. The sample size of the study was 15% of the population. This was in accordance with the statement of Boll and Gall in Uzuagulu (1998) that if a population is up to 1000, 20% or less could be used as sample for obtaining data to minimize sampling error. Also, this is in conformity with the principle of t-test statistic that relatively two small and near equal numbers should be compared to reduce sampling error (Bianze cited in Olaitan, Eze & Ogbonnaya, 2009).

A 27 item structured questionnaire was used to collect data from the respondents. The questionnaire had 2 parts, A and B. Part A was used to obtain information on personal data of the he

respondents. Part B was divided into 3 sections which are planning, managerial, and general skills. The skill items in each section had a 4 point response of Highly needed (HN), Moderately needed (MN), Slightly needed (SN) and Not needed (NN) with a corresponding value of 4, 3, 2 and 1 respectively. The instrument was face validated by experts, split half method was used to determine reliability of the instrument which yielded a coefficient of 0.78. 377 copies of the questionnaire were administered to the respondents with the help of three (3) research assistants. All the copies of the questionnaire were retrieved after two weeks.

The data collected from the study was analysed using mean and standard deviation to answer the research questions while t-test statistic was used to test the hypotheses. The arithmetic means of the response value was computed and it yielded 2.50 which was used for taking decision on each item. Any item with a mean of 2.50 and above was regarded as needed while any item whose weighted mean is less than 2.50 was regarded as not needed. Any item with a standard deviation between 0 and 1.96 indicated that the respondents were not too far from the mean and from one another in their opinions.

Results

The findings of this study were presented according to the research questions posed and hypotheses tested.

Table 1: Mean rating and standard deviation of respondents on entrepreneurial planning competencies needed by secondary school graduates for establishing small and medium scale enterprise

S/N	Item statement	Teachers N = 278			Entrepreneurs N = 99		
		\bar{X}	SD	Decision	\bar{X}	SD	Decision
1	Formulate specific objective for the enterprise	2.88	0.63	Needed	3.12	0.66	Needed
2	Review the objective of the enterprise periodically	2.98	0.73	Needed	2.88	0.78	Needed
3	Draw programme for the enterprise	2.43	0.61	N/needed	2.31	0.52	N/needed
4	Make budget for the enterprise	3.22	0.81	Needed	3.02	0.71	Needed
5	Identify the type of enterprise	2.33	0.52	N/needed	2.48	0.60	N/needed
6	Negotiate for purchase of raw materials or materials	3.07	0.59	Needed	3.04	0.70	Needed
7	Identify various level of manpower needed for the enterprise	2.97	0.66	Needed	2.88	0.87	Needed
8	Identify the various tasks to be performed and the appropriate time for each task	3.35	0.74	Needed	2.95	0.78	Needed
9	Make rules and regulations for the operation of the enterprise	2.64	0.91	Needed	2.77	0.88	Needed
10	Identify sources for marketing the products if goods are to be produced	3.06	0.59	Needed	2.92	0.67	Needed

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents

The data presented in Table 1 revealed that 8 out of 10 items had mean values that ranged from 2.64 to 3.35. This showed that the mean value of each of the items was above the cut-off point of 2.50, indicating that the graduates of secondary school need those planning competencies to establish small and medium scale enterprise. The table also showed that the standard deviation (SD) of the items ranged

from 0.52 to 0.87. This indicated that the respondents were not very far from the mean and from one another in their responses. However, the table also revealed that 2 out of 10 competences are not needed by secondary school graduates as their mean values (2.31-2.48) were less than the cut-off point of 2.50

Table 2: Mean rating and standard deviation of respondents on entrepreneurial managerial competencies needed by secondary school graduates for establishing small and medium scale enterprise

S/N	Item statement	Teachers N = 278			Entrepreneurs N=99		
		\bar{X}	SD	Decision	\bar{X}	SD	Decision
1	Ability to set goal for the enterprise	2.53	0.60	Needed	2.61	0.59	Needed
2	Communicate effectively using oral verbal skills	2.76	0.82	Needed	2.92	0.79	Needed
3	Control, direct and delegate authority	2.56	0.76	Needed	2.64	0.72	Needed
4	Organize human and material resources for business goal attainment	3.25	0.66	Needed	3.31	0.71	Needed
5	Keep appropriate record/inventory	2.97	0.72	Needed	2.84	0.81	Needed
6	Evaluate personal skills, knowledge and abilities	2.89	0.56	Needed	2.78	0.78	Needed
7	Appraise the performance of the enterprise	2.57	0.83	Needed	2.63	0.91	Needed
8	Acquisition of management and supervisory skills	3.03	0.65	Needed	3.07	0.69	Needed
9	Knowledge of good human relationship	2.84	0.78	Needed	2.74	0.82	Needed

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents

The data presented in Table 2 revealed that all the items had mean values that ranged from 2.53 to 3.31. This showed that the mean value of each of the items was above the cut-off point of 2.50, indicating that the graduates of secondary schools need the competencies to

manage an enterprise. The table also showed that the standard deviation (SD) of the items ranged from 0.56 to 0.91. This indicated that the respondents were not very far from the mean and from one another in their responses

Table 3: Mean rating and standard deviation of respondents on entrepreneurial general competencies needed by secondary school graduates for establishing small and medium scale enterprise

S/N	Item statement	Teachers N= 278			Entrepreneurs N = 99		
		\bar{X}	SD	Decision	\bar{X}	SD	Decision
1	Knowledge of types of ownership of business	3.04	0.77	Needed	3.34	0.65	Needed
2	Understand basic steps involved in setting-up an enterprise	3.02	0.79	Needed	3.22	0.68	Needed
3	Familiarization with purchasing of fixtures, equipment and furnishing	2.40	0.88	N/needed	2.32	0.76	N/needed
4	Ability to determine causes of failure of similar enterprise	2.45	0.79	N/needed	2.34	0.86	N/needed
5	Ability to assess facilities and equipment required	3.07	0.53	Needed	2.96	0.58	Needed
6	Ability to found out sources of capital to set-up an enterprise	2.88	0.72	Needed	2.82	0.79	Needed
7	Knowledge of how to determine employee wages and allowances	2.67	0.71	Needed	2.73	0.82	Needed
8	Knowledge of how to hire and fire employees	2.31	0.83	N/needed	2.35	0.67	N/needed

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents

The data presented in Table 3 revealed that 5 out of 8 items had their mean values ranging from 2.67 to 3.34. This showed that the mean value of each of the items was above the cut-off point of 2.50, indicating that the graduates of secondary school need those competencies to establish an enterprise. The table also showed that the standard deviation (SD) of the items ranged from 0.53 to 0.88. This indicated that

the respondents were not very far from the mean and from one another in their responses. However, the table also revealed that 3 out of 10 items had their mean values (2.31-2.45) less than the cut-off point of 2.50, indicating that secondary graduates does not need those competencies to establish small and medium scale enterprise

Table 4: Mean rating and standard deviation of respondents on entrepreneurial general competencies needed by secondary school graduates for establishing small and medium scale enterprise

Group	N	\bar{X}	SD	DF	t-cal	t-critical	P < 0.5
Teachers	278	2.82	0.71	375	0.229	1.96	Not significant
Entrepreneurs	99	2.84	0.76				

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents
 DF = degree of freedom

Table 4 showed that the t-calculated is 0.23 as against t-critical which is 1.96. Therefore, the null hypothesis of no significant difference is accepted. Hence there was no statistically significant

difference between the responses of teachers and entrepreneurs on the planning competencies needed by secondary school graduates to establish small and medium scale enterprise

Table 5: t-test on the mean responses of teachers and entrepreneurs on the managerial competencies needed by secondary school graduates for establishing small and medium scale enterprise.

Group	N	\bar{X}	SD	DF	t-cal	t-critical	P < 0.5
Teachers	278	2.83	0.70	375	0.116	1.96	Not significant
Entrepreneurs	99	2.84	0.76				

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents
 DF = degree of freedom

Table 5 showed that the t-calculated is 0.116 as against t-critical which is 1.96. Therefore, the null hypothesis of no significant difference is accepted. Hence there was no statistically significant difference between the responses of

teachers and entrepreneurs on the managerial competencies needed by secondary school graduates to establish small and medium scale enterprise.

Table 6: t-test on the mean responses of teachers and entrepreneurs on the general competencies needed by secondary school graduates for establishing small and medium scale enterprise.

Group	N	\bar{X}	SD	DF	t-cal	t-critical	P < 0.5
Teachers	278	2.73	0.75	375	0.348	1.96	Not significant
Entrepreneurs	99	2.76	0.73				

Key N= number of the respondents
 \bar{X} = mean of the respondents
 SD = standard deviation of the respondents
 DF = degree of freedom

Table 6 showed that the t-critical is 0.348 as against t-table which is 1.96. Therefore, the null hypothesis of no significant difference is accepted. Hence there was no statistically significant difference between the responses of teachers and entrepreneurs on the general competencies needed by secondary school graduates to establish small and medium scale enterprise

Discussion of Results

The result of the study reveal that 22 entrepreneurial competences are needed by secondary school graduates for establishing small and medium scale enterprise. The findings on planning competencies are in agreement with the opinion of Olaitan and Mama (2001) who stated that planning activities for any enterprise include formulation of specific objectives for the enterprise, revising the objectives periodically, drawing up programme plan for the enterprise, budgeting for the enterprise, procurement of materials for the enterprise, identifying sources of finance or credit and others.

The result of the study on managerial competencies are in conformity with the findings of Leghara & Mbah (2009) on competencies/skills needed by science and technology teachers towards the development of entrepreneurial competencies in students in Orumba South Local Government Area of Anambra State. The authors found out that science and technology teachers needed ability to set goal, communicate effectively in oral and written, control, direct and delegate authority, organize human and material resources for business goal attainment, keep appropriate record/inventory, evaluate personal skills, knowledge and abilities, acquisition of management and supervisory skills, appraise the performance of the enterprise and

knowledge of good human relationship as managerial competencies to develop entrepreneurial skills in students. The result of the findings are also in line with the opinion of Igbo (2006) who asserted that the general competencies needed for establishing an enterprise includes knowledge of types of ownership of business, understanding of basic steps involved in setting-up an enterprise, familiarization with purchasing of fixtures, equipment and furnishing, ability to determine causes of failure of similar enterprise, ability to assess facilities and equipment required, ability to find out sources of capital to set up an enterprise and knowledge of how to hire and fire employees.

The findings from the hypotheses tested indicated that there is no significant difference between the mean responses of secondary school teachers and small and medium scale entrepreneurs on the entrepreneurial competencies required by secondary school graduates in Gwagwalada and Kwali Area Councils of FCT for establishing small and medium scale enterprise. The above findings further help to validate the questions raised and answered by the study.

CONCLUSION

In Gwagwalada and Kwali Area Councils of FCT, many secondary school graduates are unemployed. These graduates do not possess the required competencies for entering into small and medium enterprise for a living. Hence, they constitute a burden on their parents and Government in terms of sustenance. This study was carried out to assist the unemployed youths in becoming independent earners of means of livelihood thereby reducing their level of poverty. The study found out 22 entrepreneurial competencies needed by secondary

school graduates for success in small and medium enterprise.

Recommendations

It was therefore, recommended that the 22 entrepreneurial competencies identified by this study be packaged into a training program for empowering interested secondary school graduates for employment in SMEs

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