



Perceived Management Challenges of Small and Medium Scale Enterprises Among Business Education Students in Colleges of Education in North-East, Nigeria

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ABSTRACT

The study determines the Perceived management Challenges of Small and Medium-scale Enterprises (SMEs) among Business Education students in Federal Colleges of Education. The design of the study was a descriptive survey. The area of the study was North-East, Nigeria; the population of the study comprises 639 final year Business Education students of Federal Colleges of Education who have to undergo Entrepreneurship Education as a course. The sample size for this study consists of 234 final year business education students that are drawn from the population of 639 students. Based on Krejcie and Morgan, an estimated population above 600 and close to 700 should have a sample size of 234. Therefore, using stratified proportionate random sampling technique, firstly, three Colleges of Education offering business education in the study area are selected and form three strata; that is Federal College of Education (Technical) Gombe, Federal College of Education (Technical) Potiskum and Federal College of Education Yola. Secondly, 36.6% of the population from each stratum was selected using the randomization technique. The instrument for data collection was a structured questionnaire developed by the researcher and was validated by two experts from the Department of Vocational and Technology Education, Faculty of Technology Education, Abubakar Tafawa Balewa University, Bauchi. The reliability coefficient of 0.85 was obtained which indicates that the instrument was highly reliable. The data collected was analyzed using mean and standard deviation with Statistical Package for Social Science (SPSS) software, version 23. The findings of the study revealed that students are faced with the challenges of enabling environment in setting up small and medium scale Enterprises; also, the study revealed that there are unstable government policies in managing SMEs among Business Education students. Based on the findings it was recommended that Government should provide enabling environment to support the management of small and medium scale enterprises and to ensure stability in policies formulation by the government and its proper implementation to support the management of small and medium scale enterprises after graduation.

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INTRODUCTION

The importance of small businesses to the citizens' standard of living and the nation's general growth cannot be overemphasized. Even co-existence of large-scale industries is seen as dependent on healthy activities of small businesses (Fabayo, 2009). Small and Medium Scale Enterprises (SMEs) or small businesses are

generally regarded as the engine of economic growth, sustainability and equitable development of human social life as well as platform for creating employment opportunities of any country which requires labor intensive, capital saving and availability of raw materials. Small businesses irrefutably remain critical to the development of any nation's economy as they are an excellent, source of employment generation, help in



development of local technology, and develop indigenous entrepreneurs (Erdem & Erdem, 2011; Alaye-Ogan, 2012).

Small and medium scale enterprises (SMEs) can be challenging, as the term includes a wide array of definitions globally. When defining SMEs, countries and businesses often use their own judgment, using the asset value of the company, number of people employed, annual turnover generated. The National Small Business Act 102 of 1996, defines Small and Medium scale Enterprises (SMEs) as "small business" means a separate and distinct business entity, including cooperative enterprises and non-governmental organizations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy. The National Small Business Act further subdivides small business as survivalist, micro, very small, small and medium enterprises, (Ayozie, 2013).

Small business definitions differ within the fixed co-ordination of national boundaries. For instance, Alaye-Ogan, (2012) defines a small business as companies with capital base between twenty thousand naira and thirty million naira (equivalent of \$125 to \$193,500). According to Hatten (2012), a company is considered small if it is independently owned, operated, and financed; has fewer than 100 employees; and has relatively little impact on its industry. Also, the Federal Ministry of Commerce and Industry of Nigeria defines small-scale business as a business with capital investment that is not over seven hundred and fifty thousand naira (N750, 000), while the Central Bank of Nigeria (CBN) (2010) defines small and medium enterprise (SMEs) as business with asset base of between five and five-hundred million naira, and staff strength of between 11-300 people. For Hatten (2012), small business, nevertheless, include business activities of the stay-at-home parent who provides day care for children whose parents are not around, factory workers who engage in after hours' deliveries, to owners of fast-food restaurants.

Over the years, inadequate or lack of infrastructural facilities has been identified as one of the major challenges facing small businesses in Nigeria, a phenomenon that continue to hamper the growth of Nigeria economy at a desirable pace (Oraka, 2013). Similarly, Oraka (2013) bemoans lack of good roads in Nigeria, which makes transport more expensive and the product less marketable. In other words, small businesses can

only be successful in a country where there are healthy infrastructural facilities such as uninterrupted electricity and good road network among others (Okpara & Wynn, 2007; Asaba, 2012). This statement resonates with Gill and Biger's (2012) argument that infrastructural facilities of a country are the stimulus catalyst with which its economic growth can be assured. Similarly, lack of funding occasioned by rigid lending practices pose many problems which tend to impede the starting and sustaining small businesses in Nigeria (Ishak, Omar, & Ahmad, 2012)

Against this background, the study intended to find out the Perceived Challenges that is encountered in management of Small and Medium Scale Enterprises' particularly among Business Education students of Federal Colleges of Education in North-east.

The challenges faces in sustaining small and medium scale enterprises among Business Education Students despite the knowledge acquired in entrepreneurial studies such as creativity, innovation, management and risk taking during their studies in Business and Entrepreneurship education, under inadequate, insufficient and functional training facilities in Federal Colleges of Education in North-East Nigeria, which constitute a challenge to students to manage Small and Medium scale enterprises' in order to be self-reliant and even employ others instead of waiting for government jobs which are not readily available. Management of small and medium enterprises has been an issue of concern among Business Education students. This is because most of the small-scale businesses that have been established either retrogressed or closed down within a short period due to either lack of enabling environment in terms of social infrastructure like Roads and Electricity or inconsistency in government policies.

Therefore, it is against this background that this study tends to find out Perceived management Challenges of small and medium scale enterprises in terms of Enabling environment and unstable governmental policies among Business Education students of Federal Colleges of Education in North-east, Nigeria.

Objectives of the Study

The main purpose of this study is to determine the perceived management challenges of Small and Medium scale enterprises among Business Education students in Colleges of



Education in North-east, Nigeria. Specifically, the study sought to:

1. Find out the extent to which Lack of Enabling environment constitute a challenge in management of small and medium scale enterprises among Business Education students in Federal Colleges of Education in North-east, Nigeria
2. Identify the extent to which inconsistencies in government policies constitute a challenge in the management of Small and Medium scale enterprises among Business Education students in Federal Colleges of Education in North-east, Nigeria.

Research Questions

The study was guided by the following research questions:

1. To what extent does lack of enabling environment constitute a challenge in management of small and medium enterprises among Business Education students in Federal Colleges of Education in North-east Nigeria?
2. To what extent does inconsistencies in Government policies constitute a challenge in the management of small and medium scale enterprises among Business Education students in Federal Colleges of Education in North-east Nigeria?

METHODOLOGY

The study adopted a descriptive survey research design. Area of the study was North East Nigeria. The population of the study comprises 639 final year Business Education students of Colleges of Education who have undertaken Entrepreneurship Education as a course. The sample size for this study consists of 234 final year business education students that have already undertaken entrepreneurship as a course. They are drawn from the population based on Krejcie and Morgan table of sampling (1970), stated that, an estimated population above 600 and close to 700 should have a sample size of 234. Therefore, using stratified proportionate random sampling technique, firstly, three Colleges of Education offering business education in the study area are selected and form three strata; that is Federal College of Education (Technical) Gombe, Federal College of Education (Technical) Potiskum and Federal College of Education Yola. Secondly, 36.6% of the population from each of the stratum

was selected using randomization technique. Hence, total sample of 234 final year business education students are sampled.

The instrument for data collection was a structured questionnaire developed by the researchers titled Perceived Management Challenges of Small and Medium Scale Enterprises among Business Education Students of Federal Colleges of Education (PMCSME) questionnaire using 4-points rating scale; SD-Strongly Disagree; D-Disagree; A-Agree and SA-Strongly Agree. The instrument was validated by three experts in the field of Business Education, from the Department of Vocational and Technology Education, Faculty of Technology Education, Abubakar Tafawa Balewa University, Bauchi. A reliability coefficient of 0.85 was obtained using Cronbach alpha which indicated that the instrument was highly reliable. The researcher administered the questionnaire with the help of two trained research assistants.

Data collected was analyzed using Statistical Package for Social Science (SPSS) software, version 23 where mean and standard deviation was obtained. Numerical value response modes were assigned as follows: strongly Agreed- 4 points, Agreed 3 points, Disagreed - 2 points, strongly disagreed - 1 point. The cutoff point of the study indicated that any item with a mean response of 2.50 and above was considered agreed, while those below 2.50 was considered disagreed.

Research Question One

To what extent does Enabling Environment constitute a challenge in management of (SMEs) among business education students in Federal Colleges of Education in North-east Nigeria?

The table 1 present the result of research question one, which shows the extent to which Enabling Environment constitute a challenge in the management of (SMEs) among business education students in Federal Colleges of Education in North-east, Nigeria. All the respondents have agreed that items 9, 7, 2, 4, and 5 having the highest mean of 4.00, 3.80, 3.80, 3.65 and 3.65, While items 3, and 8 have the least mean of 3.50 and 3.54 respectively. The grand means of 3.65 was obtained; this implies that Enabling Environment constitutes a challenge in management of (SMEs) among business education students in Federal Colleges of Education in North-east Nigeria is agreed



Table 1: Mean responses and standard deviation on the extent to which Enabling Environment constitute a challenge in the management of (SMEs)

S/N	Variables	Mean	SD	Remark
1	Infrastructural facilities are a major problem for managing SMEs by business education students.	3.35	.48	Agreed
2	Access to raw materials constitute major problems to managing SMEs by business education students in.	3.80	.40	Agreed
3	Nigerian government neglect in providing stable power for small and medium scale enterprises	3.50	.75	Agreed
4	Nigeria government has not provided enough motivation for small and medium scale enterprises	3.65	.48	Agreed
5	The government has not provided enough basic facilities for the growth and development of SMEs for business education students	3.65	.48	Agreed
6	There are no adequate Skill acquisition facilities that will allow business education students to gain skills for establishing and managing businesses.	3.56	.35	Agreed
7	Inadequate information base for project realization with regard to SMEs in Nigeria.	3.80	.40	Agreed
8	The government has not equipped tertiary institutions in Nigeria with all the necessary equipment that will be used to train our students to establish and manage small scale enterprises	3.54	.49	Agreed
9	The government has not given enough support to tertiary institutions in terms of instructional facilities to boost students of business education to establish SMEs after graduation.	4.00	.01	Agreed
10	A part from formal school, government has not established centers for training students on how to establish and manage SMEs after graduation of students.	3.60	.49	Agreed
Grand Mean		3.65	0.43	

Source: Field Survey (2020)

Research Question Two

To what extent does Unstable Government Policies constitute a challenge in the management of SMEs among Business Education students in North East Nigeria?

The table 2 presents the result of research question two, which shows the extent to which unstable government policies constitute a challenge in the management of SMEs among Business Education students in North-east,

Nigeria, where all the respondents agreed that items 20, 18, 17, 16 and 11 having the highest mean of 4.00, 3.85, 3.85, 3.80 and 3.60, while items 15, and 13 have the least mean of 3.20 and 3.21 respectively. The total grand mean of 3.56 was obtained; this shows that the extent to which unstable government policies constitute a challenge in the management of SMEs among Business Education students in North East Nigeria is agreed.

Table 6: Mean responses and standard deviation on the extent to which Unstable Government Policies constitute a challenge in the management of SMEs among Business Education students

S/N	Questionnaire Items	Mean	SD	Remark
11	Inconsistency in government policies on management of SMEs in Nigeria hindered business education students.	3.61	.80	Agree
12	Government intervention is a constraint that prevents business education students to manage SMEs in Nigeria	3.41	1.20	Agree



S/N	Questionnaire Items	Mean	SD	Remark
13	Government negative attitude towards promoting SMEs is a major obstacle that is discouraging business education students from managing SMEs in Nigeria	3.21	1.17	Agree
14	The role played by Nigerian government is not effective in terms of management SMEs by business education students	3.35	.48	Agree
15	Government establishes various support institutions and relieves aimed at improving SMEs in Nigeria	3.20	.40	Agree
16	Inconsistency in Government policies has negative impact towards management of SMEs for business education students	3.85	.36	Agree
17	Inconsistency in Government policies do not positively support every individual in management of SMEs for business education students	4.00	.02	Agree
18	Inconsistencies in Government policies do neglect SMEs operators in the area of incentives to facilitate their activities including business education students.	3.80	.40	Agree
19	Inconsistencies in Government policies do not adequately enhance the management of SMEs by business education students.	3.35	.48	Agree
20	Government misappropriation of funds that is planned to for management of SMEs for business education students	3.85	.36	Agree
Grand Mean		3.56	.80	

Source: Field Survey (2020)

FINDINGS OF THE STUDY

The findings of the study are revealed that:

1. Lack of enabling environment constitute a challenge in management of small and medium scale enterprises SMEs among business education students in Federal colleges of education in North-east, Nigeria
2. Unstable government policies constitute a challenge in management small scale enterprises (SMEs) among business education students in Federal colleges of education in North-east, Nigeria.

DISCUSSION OF FINDINGS

The findings of research question one revealed that there are challenges of enabling environment in management of Small and Medium scale Enterprises' (SMEs) among Business Education Students in Federal Colleges of Education in North-east, Nigeria such as; infrastructural facilities, access to raw materials, inadequate motivation, inadequate information base, enough training skill centres for graduates, neglect by the government, inadequate credit facilities, inadequate training skills, for

management of small scale enterprises. The finding is in line with the view of Moses and Adebisi (2013) who stated the financial difficulties confronting entrepreneurs in the developing nations. They further argued that most entrepreneurs' business ideas are aborted at conception due to lack of funding. Similarly, the study of Moses (2010); Kennedy and Tennent (2006); Moses and Adebisi (2013) is in line with the findings of the study, they stated that, lack of access to funding is connected with very rigid financial policies and bank practices which place collateral as the major requirement for securing bank loans, thus making small businesses suffer what is called financial illusion

Findings of research question two also revealed that there are Instability in government policies in management of small scale enterprises among business education students in Federal colleges of education in North-east, Nigeria such as; unfavourable government policies, lack of government intervention, attitudes of government towards promoting SMEs, misappropriation of government funds, absence of supportive government policies, government neglect SMEs in the area of infrastructural development to facilitate Small businesses. The finding of the study is similar to study of (Opara, 2011), who stated that crucial facilities such as uninterrupted electric



supply, good road network, good water supply, sewers and efficient waste disposal facilities, and other essential infrastructures needed to support society and business operations are lacking. The findings of this study is also similar to the findings of Honohan, Beck and Demirguc-kunt (2009) who stated that access to bank loans and direct government financial support are reported in surveys of entrepreneurs as a serious problem for small businesses in Africa.

CONCLUSION

The study determines that enabling environment and unstable government policies constitutes challenges in management of small and medium scale enterprises among the students of business education in Federal Colleges of Education in North-east, Nigeria. The result of the study showed that enabling environment and unstable Government policies constitutes challenges in management of small and medium scale enterprises. Therefore, it is concluded that providing enabling environment

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and stable government policies will ensure effective and efficient management of small and medium scale enterprises thereby creating opportunities for self-employment among business education students in Federal Colleges of Education in North-east, Nigeria.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations were made;

1. Government should provide support in terms of infrastructural facilities to address the challenges of management of small and medium enterprises among business education students in Federal Colleges of Education
2. Government policies should be consistent in order to support and addresses the challenges of management of small and medium scale enterprises among business education students in Federal colleges of education.

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