



## Perceived Influence of Entrepreneurship Training and Management Functions on Small and Medium Scale Service Industries in Imo State

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### ABSTRACT

*This study examined the influence of entrepreneurship education on the management of small and medium scale service industries in Imo State. Two research questions guided the study and four null hypotheses were tested at 0.05 level of significance. Descriptive survey research design was employed for the study. The population of the study consisted of 677 entrepreneurs of small and medium scale service industries in Imo State. A total of 251 managers of these industries were sampled using the proportionate random sampling technique. The instrument for data collection was a structured questionnaire with 42 items while the instrument was validated and reliability coefficient of 0.79 was obtained using Cronbach alpha method. Out of the total of 251 copies of the questionnaire distributed, 241 copies were retrieved from the respondents, representing about 96% retrieval. The data collected were analyzed using mean and standard deviation; t-test was used for testing the null hypotheses. Findings revealed that entrepreneurship education received by managers strongly influence their planning, organization of human and material resources. The study concluded that entrepreneurship education is required by managers for effective management of small and medium scale service industries in Imo State. The study recommended among others that; managers who have not received entrepreneurship education before embarking on small and medium scale businesses should enroll on the programme to acquire more entrepreneurial skills for effective management of their industries.*

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### INTRODUCTION

Entrepreneurship involves activities that suggest identification and exploitation of opportunities to bring in new goods or render services that hitherto were none existent. Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risk and receiving the resulting rewards of monetary and personal satisfaction (Hisrich, 2012). The end result of this process is the creation of a new venture, formed under conditions of risk and considerable uncertainty undertaken by an entrepreneur.

An entrepreneur is someone who assumes the financial risk of beginning and managing a new venture. The venture can be

based on totally new idea; new way of doing things, a new location or attempting something no one else has done before (Zahraddeen, 2016). In other words, an entrepreneur is an individual who has the zeal and ability to find and evaluate opportunities, gather necessary resources, take sequential and systematic steps towards utilizing the advantages of such opportunity. These men and women build and nurture effective and successful entrepreneurs, school programme referred to as entrepreneurship education are offered at different levels of education in Nigeria and informally too. Rico, Camara and Llamazares (2015) emphasized that entrepreneurship must include training on how to manage businesses for it to be effective. In providing training instruction for teaching and understanding of



entrepreneurship education, management is crucial.

Management is the art of getting things done by organizing resources to achieve organizational objectives. It is the pursuit of organizational goals efficiently and effectively by integrating the work of people through planning, organizing, leading and controlling organizational resources. Management means the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling; working with people and resources to accomplish organizational goals (Daft, 2016; Bateman, Snell, Konopaske, 2018). The various aspects of management emphasized in entrepreneurship training here are planning and organization of human and material resources. In order to thrive and succeed organizations and industries whether large or small and medium scale are expected to pay attention to these two aspects of management.

Planning according to Kootz and Wehrich (2012), is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning is concerned with working out in broad outline the things to be employed for doing them in order to accomplish the purpose set for the organization. Planning involves selecting objectives and strategies, policies, programmes and procedures for achieving them either for the entire enterprise or for any organized part thereof.

Organizing according to Chikezie, Nzewi and Orogbu (2018), is the configuration of appropriate organizational structure and the allocation of duties to be done. It involves the division of labour and assignment of responsibilities and authorities to various positions in the organizational structure. Organizing involves determining what tasks are to be done, who reports to whom, where decisions are to be made, who is to do it best and motivating each personally.

Small and medium scale service industries are the fastest growing industrial classification in the world today (Osuala, 2014). Osuala, defined small and medium scale service industries as any business that is owned, managed and controlled by a sole proprietor or partners of about two persons, has total assets of less than four million (4,000,000,00) naira, relatively small share of the market, and does not have more than fifty

(50) employees. The development of viable SMEs in Nigeria has over the years been challenged by a number of harsh economic conditions which characterize the Nigerian business environment. Some of these challenges have been outlined by the Institute of Development Administrator of Nigeria (IDAN, 2007).

The managers in small and medium scale service industries are individuals who start business from the scratch, they are otherwise called managers. They start with whatever resources that is available to them. These set of entrepreneurs are made up of men and women of all ages who obtain their training by going to school, attending workshops, conferences, seminars and some of them through tutelage from parents and others in the field, their training could be formal by way of education or informal by way of agreed tutelage away from conventional schools. They obtain their start-up capital from friends, family members, personal savings, associates and banks. These entrepreneurs manage saloons, hotels, computer centres, accounting firms among others. They engage in businesses like hair dressing, hoteling, computer operations, shoe making, fashion designing and dry cleaning in both urban and rural areas.

Considering the fact that the success or failure of entrepreneurs of small and medium scale service industries in Imo State depends on the entrepreneurial skills acquired through entrepreneurship education both formal and informal setting. It therefore becomes essential to ascertain the perceived influence of entrepreneurship training on the management of small and medium scale service industries in Imo State so as to ensure their sustainable growth and development.

The training given to students on entrepreneurship education is expected to equip them adequately for the world of works. This is because, the relevance of any educational programme is viewed in terms of its fitness to meet the needs of the society or the effective impacts its products make in their subsequent life endeavors (Olaitan, 2014). Akereolu-Ake (2013), observed that only 50 percent of newly established small industries survive up to 18 months while less than 20 percent survive for two years. This failure has negatively affected employment rate and



slowed down the economic growth of the state in particular and the nation in general.

Nwachukwu (2017) observed that many surviving small and medium scale industries seem not to be performing up to expected standards. It is worrisome that despite the exposure potential managers of small and medium scale industries received through entrepreneurship education, these managers do not seem to be contributing meaningfully to the effective management of small and medium scale industries in Imo state. Onukwugha (2013) reported that although some of the managers were familiar with the management functions covered in entrepreneurship education, they seem unable to float their businesses successfully. It is in the light of the above concern that the study was conceived.

#### **Purpose of the Study**

The main purpose of the study is to ascertain the influence entrepreneurship training on the management of small and medium scale service industries in Imo State. Specifically, the study determined the perceived influence entrepreneurial skill acquired by managers through entrepreneurship training has on:

1. Planning of small and medium scale industries.
2. Organizing of human and material resources in small and medium scale industries.

#### **Research Questions**

The study answered the following research questions:

1. What influence does entrepreneurship training received by managers have on planning in small and medium scale industries?
2. What influence does entrepreneurship training received by managers have on organization of human and material resources in small and medium scale industries?

#### **Null Hypotheses**

The following eight hypotheses were formulated to guide the research:

1. There is no significant difference in the mean ratings of male and female managers on how entrepreneurship

training influences the planning of small and medium scale industries in Imo State.

2. The managers in urban and rural areas do not differ significantly in their mean ratings on how entrepreneurship training influences the planning of small and medium scale industries in Imo State.
3. There is no significant difference in the mean ratings of male and female managers on the influence entrepreneurship training has on the organization of human and material resources in small and medium scale industries in Imo State.
4. The managers in urban and rural areas do not differ significantly in their mean ratings on the influence entrepreneurship training has on the organization of human and material resources in small and medium scale industries in Imo State.

#### **METHODOLOGY**

The population of the study comprised 677 identified proprietors of small and medium scale service industries, registered with the Imo State Ministry of Trade, Commerce and Industry as at February, 2019. Taro Yamane's formula to arrive at the sample size of 251 proprietors of small and medium scale service industries drawn from the three Senatorial zones in Imo State. The instrument for data collection for this study was a structured questionnaire consisting of 42 items to elicit information that will help in answering the two research questions and testing the four hypotheses formulated for the study. The instrument was designed based on the modified five-point scale of Very Strong Influence (VSI) Strong Influence (SI), Moderate Influence (MI), Weak Influence (WI), and Very Weak Influence (VWI). The instrument was face validated by two experts. The reliability of the instrument obtained were 0.77 and 0.82, respectively. In summary, the reliability of the instrument was 0.79 indicates a high reliability coefficient of the instrument (Nwaorgu, 2015). Out of the 251 Copies of the questionnaire administered, 241 copies that constitute 96% were returned. Mean was used to analyze the research questions, standard deviation was used to ascertain the homogeneity or otherwise of the range of mean values while t-test was used to test the hypotheses at 0.05 level of significance. The researchers reject



null hypothesis where the p-value is less than or equal to the alpha level of 0.05, and fail to

reject the null hypothesis where p-value is greater than alpha level of 0.05.

## RESULTS

The result is as presented in tables below:

**Table 1:** Mean and standard deviation of respondents on influence entrepreneurship training has on planning in small and medium scale industries

S/N	Entrepreneurship training and Planning	$\bar{X}$	SD	Remarks
1	Defining the mission of my enterprise	4.00	.45	Strong Influence
2	Establishing the objectives of my enterprise	4.10	.56	Strong Influence
3	Passing sound judgment in organizational matters	4.20	.78	Strong Influence
4	Assessing the future to make provision for goals	1.80	.40	Weak Influence
5	Choosing suitable course of action from several alternatives	4.12	.55	Strong Influence
6	Making flexible adjustments in dynamic environment to accommodate possible changes in my enterprise	4.30	.50	Strong Influence
7	Taking care of uncertainties to minimize business risks	4.20	.77	Strong Influence
8	Formulating policies for realization of my enterprise's objectives	2.65	.75	Moderate Influence
9	Outlining procedures for specific course of action in my enterprise.	4.10	.53	Strong Influence
10	Adhering to guidelines in different work activities without deviation	3.75	.68	Strong Influence

Data in Table 1 show that items have mean scores ranging from 3.65 to 4.30 meaning that most of the items on entrepreneurship training has strong influence on planning of small and medium scale industries while one item has weak influence on planning of small and medium scale service industries with mean score of 1.80 while item 8 has moderate influence on planning of small

and medium scale industries. The cluster mean score of 3.78 indicate that entrepreneurship education received by managers strongly influence their planning of small and medium scale industries in Imo State. The standard deviations of .40 to .78 show that the responses of the respondents are not wide apart.

**Table 2:** Summary of t-test result of the mean ratings of male and female managers on the influence entrepreneurship training has on planning of small and medium scale industries in Imo State

Gender	N	$\bar{X}$	SD	t-value	df	P-value	Decision
Male	147	2.02	.10	.95	239	.35	Not Significant
Female	94	2.18	.16				

Data in Table 2 compared the scores of male managers (M=2.02, SD=.10) and female managers (M=2.18, SD=.16) where  $t(.95) = 239$ ,  $p = .35$ . This result suggests that

gender preference has no place on the influence entrepreneurship education has on planning of small and medium scale industries in Imo State.



**Table 3:** Summary of t-test result of the mean ratings of managers in urban and rural areas on the influence entrepreneurship training has on the planning of small and medium scale industries in Imo State

Location	N	$\bar{X}$	SD	t-value	Df	P-value	Decision
Urban	172	4.10	.16	.76	239	.35	Not Significant
Rural	69	4.06	.12				

Data in Table 3 compared the scores of managers in urban (M=4.10, SD=.16) and managers in rural areas (M=4.06, SD=.12) where  $t(.76) = 239, p = .35$ . This result suggest

that location has no place on the influence entrepreneurship training has on planning of these industries in Imo State

**Table 4:** Mean ratings and standard deviation of respondents on the level of influence entrepreneurship training received by managers has on their organization of human and material resources in small and medium scale industries

S/N	Entrepreneurship training and organization of human and material resources	$\bar{X}$	SD	Remarks
11	Coordination of individual work activity into group/collective efforts	4.15	.47	Strong Influence
12	Unifying employees by providing an understanding of organizational values and strategies	4.60	.42	Very Strong Influence
13	Ensuring division of labor in performance of task for greater efficiency	4.53	.50	Very Strong Influence
14	Active involvement of resourceful personnel in all areas of my enterprise	3.48	.47	Moderate Influence
15	Directing personnel to ensure the right people do the right things at the right time	4.10	.43	Strong Influence
16	Providing physical space to enhance productivity in my enterprise	4.22	.51	Strong Influence
17	Choosing tools for general job function	3.57	.52	Strong Influence
18	Adopting technological innovations in work processes	3.55	.53	Strong Influence
19	Applying funds to meet capital and recurrent expenses	4.40	.46	Strong Influence
20	Ensuring inventory management processes	4.36	.44	Strong Influence

Data in Table 4 show that items have mean scores ranging from 3.55 to 4.40 meaning that most of the items on entrepreneurship training strongly influence managers on organization of human and material resources. 2 items shows mean scores of 4.60 and 4.53 respectively meaning that they very strongly influence the managers in the organization of human and material resources while the remaining item has a mean rating of 3.48 which means that it

moderately influences managers on organization of human and material resources. The cluster mean score of 4.10 indicate that, in the opinion of the respondents, entrepreneurship training received by managers strongly influence their organization of human and material resources in small and medium scale industries in Imo State. The standard deviations of.42 to.53 show that the responses of the respondents are not wide apart.



**Table 5:** Summary of t-test result of the mean ratings of male and female managers on the influence entrepreneurship training has on the organization of human and material resources of small and medium scale industries in Imo State

Gender	N	$\bar{X}$	SD	t-value	Df	P-value	Decision
Male	147	3.55	.14	1.43	239	.17	Not Significant
Female	94	3.48	.15				

Data in Table 5 compared the scores of male managers (M=3.55, SD=.14) and female managers (M=3.48, SD=.15) where  $t(1.43) = 239, p = .17$ . This result suggest that

gender has no place on the influence entrepreneurship training has on the organization of human and material resources of small industries in Imo State.

**Table 6:** Summary of t-test result of the mean ratings of managers in rural and urban areas on the influence entrepreneurship training has on the organization of human and material resources of small industries in Imo State

Location	N	$\bar{X}$	SD	t-value	df	P-value	Decision
Urban	172	2.38	.18	3.76	239	.10	Not Significant
Rural	69	2.18	.23				

Data in Table 6 compared the scores of managers in urban area (M=2.38, SD=.18) and managers in rural areas (M=2.18, SD=.23) where  $t(3.76) = 239, p = .10$ . This result suggest that location has no place on the influence entrepreneurship training has on the organization of human and material resources of small industries in Imo State.

their businesses. This could be the reason why managers in the study are of the opinion that entrepreneurship education they received strongly influences their planning of small and medium scale industries. In support of this view point, Adesanya (2017) noted that entrepreneurship training has a great value and positive effect on both students in that it equip them with the ability to plan to accomplish business goals. Similarly, Bula (2012) stated that planning competencies necessary for entrepreneurial success are acquired through entrepreneurship education.

### DISCUSSION OF FINDINGS

The findings of the study revealed that managers are of the opinion that entrepreneurship training they received has strong influence on planning of small and medium scale industries in Imo State. This finding agrees with the assertion of Hisrich (2012) that the entrepreneurship training received by entrepreneurs influence their accomplishment of targeted goals and ability to plan ahead. In agreement, Oyugi (2014) reported that entrepreneurship education in the tertiary institutions provide training in planning for future entrepreneurs.

The findings of the study also revealed that male and female managers of small scale industries do not differ significantly in their mean ratings on the influence entrepreneurship training has on planning of small industries in Imo State. This finding is in line with Ismail, Soladoye, Bernice, Oloyede and Olawale (2012) who found that entrepreneurial skills needed for successful small and medium scale business operation is independent of gender. The implication of the above is that entrepreneurs irrespective of gender require adequate planning abilities so as to effectively run their businesses. The study also revealed that managers do not differ significantly in their mean ratings on the

The findings of this study is not surprising to the researcher in view of the importance of entrepreneurship training in equipping future managers with planning knowledge and skills needed to make short and medium term planning for the success of



influence entrepreneurship education has on planning of small and medium scale industries in Imo State on the basis of location. This implies that the location of small and medium scale industries is not a factor in determining the influence entrepreneurship training has on planning in small and medium industries in Imo State. It could also be that managers of small and medium scale industries irrespective of gender and location of business have acquired planning skills through entrepreneurship education which helps them in their day-to-day planning of business operations. This can also be attributed to the modern realism theory which supports that the basic aim of entrepreneurship training is to impact on the learner, whether male or female, the essential knowledge that will help them survive in their business no matter their location.

#### **Entrepreneurship Training and Organization of Human and Material Resources in Small Industries**

The findings of the study revealed that managers are of the opinion that entrepreneurship training received by managers strongly influences the organization of human and material resources in small and medium scale industries in Imo State. The finding of this study agrees with that of Iheonunekwu (2013) which revealed that entrepreneurship training received by the entrepreneurs influence their ability to implement timely decisions. Iheonunekwu stated that the education managers received motivated them to become highly intellectual and capable in decision making as well as show flexibility in dealing with employees when developing their workforce through proper training. This is also in tandem with psychological theory that pays attention to traits, motives and incentives/motivation for individuals who have a need for achievement and goal setting.

In addition, Sousa (2018) asserted that training in entrepreneurship training equip future small scale entrepreneurs with the ability to organize both human and material resources to achieve better business performance. Zahraddeen (2016) pointed out that organizational skills are one of the important skills taught in entrepreneurship education. Zahraddeen submitted that the success or failure of an enterprise is

determined by managers who manage both financial material resources of an organization.

The findings of the study also revealed that male and female managers do not differ significantly in their mean ratings on the influence entrepreneurship training received has on managers' organization of human and material resources of small and medium scale industries in Imo State. This is in disagreement with the findings of Wang and Shi (2009) which showed that there was significant difference between male and female entrepreneurs on the extent at which they manage organization resources. The study also revealed that managers in urban and rural areas did not differ significantly in their mean ratings on the influence entrepreneurship training received has on the organization of human and material resources of small and medium scale industries in Imo State. This implies that the location of small and medium scale industries was not a factor determining the influence entrepreneurship training has on the organization of human and material resources by managers in Imo State. The researchers agree with this findings by positing that managers of small and medium scale industries irrespective of location of business who undergo training in entrepreneurship training shows better organization skills.

#### **CONCLUSION**

From the findings of the study, it was concluded that managers in Imo state are exposed to managerial proficiency that equips them to function in the work place, their failure is however attributed to poor exposure and knowledge of control and supervision of employees who are the bedrock of success or failure of any enterprise. Furthermore, male managers tends to control workers more than female managers apparently due to gender stereotype that men exert control and should be seen to always be in charge. Finally, the findings concluded that the inclusion of critical aspects of management in entrepreneurship training programme equips recipients with managerial competences to successfully manage small and medium scale industries

#### **RECOMMENDATIONS**

Based on the findings and conclusion of the study, it is recommended that:



1. Business education lecturers should teach, emphasize and reiterate the management functions of enterprises during classes. This will inculcate in students the necessary knowledge and acquaintance needed for managerial success from training days.
2. Managers who have not received entrepreneurship training before embarking on small and medium scale businesses should enroll on the programme whether formal or informal to acquire more entrepreneurial skills for effective management of their businesses.

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