

UTILIZATION OF TECHNICAL SKILLS BY MANAGERS OF SMALL SCALE ENTERPRISES (SSEs) FOR SUCCESSFUL BUSINESS OPERATION IN BAYELSA STATE, NIGERIA

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ABSTRACT

The need to ensure the survival of small scale enterprises in Bayelsa State necessitated this study. The study examined the utilization of technical skills by managers of small scale enterprises for successful business operations in Bayelsa State, Nigeria. One research question was answered while one null hypothesis was tested at 0.05 level of significance to guide the study. The study design descriptive survey. Population of 120 managers of small scale enterprises in Bayelsa State was studied without sampling. Self-developed questionnaire containing 8 items, which was face validated by three experts in the field of Business Education and Measurement and Evaluation was used for data collection. The reliability of the instrument was determined using trial-testing method and data collected were analyzed using Cronbach Alpha formula, which yielded correlation coefficient value of 0.81. The researcher administered 120 copies of the questionnaire to the respondents with the help of three research assistants and 116 (97%) copies were returned and found usable. Mean, standard deviation and t-test were used for data analysis. Findings revealed that managers of small scale enterprises in Bayelsa State, Nigeria to a low extent utilize technical skills for successful business operations. Location of business did not influence respondents' mean ratings on the extent they utilize technical skills for sustainable economic development. Based on the findings of the study, the researcher concluded that managers of small scale enterprises in Bayelsa State do not highly utilize technical skills for successful business operations. It was recommended among others that, managers of small scale enterprises should increase their utilization of the technical skills in conducting business activities. This will enable them to contribute to the sustainable economic development of Bayelsa State.

Key Words: Managers, Small Scale Enterprises, Technical Skills, Business Operation

Introduction

Globally, Small Scale Enterprises (SSEs) are recognized as the driving force behind the economic development and growth of nations. SSEs account for the majority of businesses worldwide, and are important contributors to over 50% job creation, poverty reduction and national security of nations (World Bank, 2021). Similarly, SSEs contribute to the National Income (GDP) of emerging economies. The World Bank noted that SSEs provide the main source of employment, contribute to value creation, and contribute to economic diversification and resilience of nations. In view of its importance, Bello, Jibri, and Ahmed (2018) observed that the developed countries have made SSEs' development a high priority.

In Nigeria, the significance of Small Scale Enterprises (SSEs) to the achievement of sustainable economic development has been highlighted by researchers, and experts. SSEs contribute to Nigeria's Gross Domestic Product (GDP), employment generation, and poverty reduction. Oviagele and Emehi (2015) agreed by stating that the contributions of SSEs are quite obvious and visible in economic transformation, poverty reduction and most importantly, reduction in the rate of youth unemployment in Nigeria. This is why Nigerian government at all levels emphasizes prioritize the creation and development of SSEs sector as a means of addressing the high level of unemployment and poverty rate among the citizens and making them job and wealth creators. Bello, Jibri, and Ahmed (2018) stated that in recent times, the Nigerian government has made SSEs one of the nation's prime objectives to expand its industrial base through creation, sustenance and growth of SSEs for attainment of economic growth and development. Bello et al. asserted that this has remained the focus of various administrations in Nigeria particularly during the present democratic dispensation.

Small Scale Enterprises (SSEs) are enterprises owned, controlled, and operated by a solo owner or the parties of around two people, with a total asset of less than four million, a relatively small market share, and more than fifty employees. Similarly, SSEs are businesses that are separately run by owners that meet specified income or staff size standards. The Nigeria Institute of Management (2018) defined SSE as one that employs between one and thirty-five people and uses standard raw materials. Obokoh (2016) citing Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) described SSEs as those with assets of less than N50 million (excluding land costs but including working capital) and fewer than 100 employees. In the same vein, the National Directorate of Employment (NDE) (2020) described SSEs as businesses with an investment in capital as little as N3,000 and hiring a maximum of as three people.

Success in Small Scale Enterprises (SSEs) requires managers/entrepreneurs to utilize knowledge, and skills acquired over the course of training in identifying opportunities or needs in the environment, mobilizing needed resources, starting the enterprise and suitably applying the resources for the survival and growth of SSEs. This is why the Nigerian government lay emphasis on teaching students entrepreneurship subjects/courses in schools to enable them acquire entrepreneurial skills to become future job creators. Skills are knowledge that has been proven through an activity or a special performance in a given setting. Uchendu (2015) viewed skills as learned ability to carry out a task with pre-determined results within a given amount of time, energy or both.

Therefore, a skilled SSE manager is one who is exceptionally good at his or her business. Entrepreneurial skills on the other hand are business skills which an individual acquires to enable him or her function effectively in the turbulent business environment. Entrepreneurial skills are aptitudes, prowess, and knowledge required by an individual to launch and run a small scale enterprise.

Entrepreneurial skills such as: technology, marketing, management, technical, financial and decision-making skills are important entrepreneurial skills (Hayton, 2015). Similarly, time management, creativity, innovativeness, marketing and problem-solving were mentioned by Iloeje and Okolocha (2018). Other entrepreneurial skills include financial, communication, information and communication technology, risk-taking and decision-making. This study however covered utilization of technical skills for successful business operation.

Technical skills are the capacity to employ certain knowledge, skills, and resources in carrying out tasks. To effectively manage teams, managers of small scale enterprises must possess the technical skills. Every business needs a certain set of technical skills and knowledge from the owner. Technical skills are knowledge and skills that managers learn via experience, and include business-specific operations, communication, design, research, and development, as well as environmental observation skills. The utilization of technical skills can help managers of SSEs to grow their businesses in return will create employment opportunities for youths in Bayelsa State. A manager of Small Scale Enterprise (SSE) is an individual who owns a business, manages the business himself or employs somebody to manage it on his or her behave as a manager. SSE managers who are also refer to as entrepreneurs need to utilize technical skills that help them to manage and sustain their business. SSEs are found in both rural and urban areas in Nigeria. in view of this, the location of business could be a determinant factor o the extent managers of SSEs utilize technical skills in enhancing business operations.

Presently, the Nigerian experts and governments are concerned with the rate of failure of small scale Enterprises (SSEs). Experts and government have attributed this to the fact that SSE is a high risk venture and full of uncertainties. Managers of SsEs should be able to absorb business uncertainties and take the burden of responsibility for their business. They must have the capacity to calculate the risks involved in the business project, assess situations and focus attention to the risks in the business especially at the early stages. Othman (2010) averred that high failure rate of SSEs in the first few years of establishment was due to inability of utilize diverse entrepreneurial skills to manage their businesses. This situation is not different in Bayelsa State as the researcher's cursory observation showed that there is a high rate of business failures among small scale enterprises in the state. Iloeje and Okolocha (2018) observed that managers' failure in SSEs was as a result of low application of entrepreneurial skills in their daily business operations.

Although, research such as Iloeje and Okolocha (2018) and Orunuahe and Magini (2017) have been carried out covering entrepreneurial skills in recent times, however, it appears that managers of small scale enterprises in Bayelsa State have not been fully utilizing their technical skills for successful business operations, which has resulted in early closure of businesses and high rate of unemployment in Bayelsa State. It is against

this study that the study ascertained the extent to which managers of small scale enterprises in Bayelsa State, Nigeria, utilize technical skills for successful business operation.

Statement of the Problem

Many small scale enterprises are floated here and there in Nigeria year after year but only few succeed while others fail. This failure could be attributed to several extrinsic and intrinsic factors such as lack of utilization of relevant skills by individuals who venture into entrepreneurship. This situation has raised the unemployment rate among youths in Nigeria leading to increase in social vices such as cyber crime, armed robbery, kidnapping, prostitution, and ritual killings.

In Bayelsa State, the pace with which most small scale enterprises fail is alarming. This could be attributed to managers' failure to properly utilize entrepreneurial skills for carrying out day-to-day business operations in the state. Many entrepreneurs lack entrepreneurial skills, which contributes to the high failure rate of small scale enterprises. As a result, it is a warning sign for the survival of small scale enterprises in Bayelsa state. This has resulted in the premature closure of many small-scale enterprises, layoffs, and a severe drop in taxes and revenues that were meant to accrue to the state government account in order to improve the state's long-term economic growth and development. Business failure is caused by a lack of technical skills; many small businesses fail because managers do not adequately integrate technical skills in their operations. In the majority of small size enterprises, these technical issues and a lack of needed and required experience in production, procurement, and maintenance have always resulted in fund misapplication and costly decision-making and business failure.

The impact of small scale business failures on Bayelsa State's economic growth and security is tremendous, which requires the managers of small scale enterprises to utilize technical skills to grow their businesses. However, few empirical studies have been done to determine the extent to which managers of small scale enterprises utilize technical skills for successful business operations in Bayelsa state. Based on this worry, the researcher specifically examined the extent (1) managers of small scale enterprises in Bayelsa state utilize technical skills for successful business operations.

Purpose of the Study

The main purpose of the study is:

1. To examined the extent of utilization of technical skills by managers of small scale enterprises for successful business operation in Bayelsa State, Nigeria.

Research Question

The following research question guided the study.

1. To what extent do managers of small scale enterprises utilize technical skills for for successful business operations in Bayelsa State?

Hypothesis

The following null hypothesis was tested at .05 level of significance;

1. There is no significant difference between the mean ratings of urban and rural managers of small scale enterprises on the extent of utilization of technical skills for successful business operations in Bayelsa State.

Methods

The study adopted a descriptive survey research design in carrying out the research in Bayelsa State, Nigerian. The population of the study consisted of 120 managers of small scale enterprises registered with Corporate Affairs Commission (CAC) Bayelsa State. There was no sampling. Self-developed questionnaire titled "Utilization of Technical Skills by Managers of Small Scale Enterprises for Successful Business Operations (UTSMSSE-SBO)" was used for data collection. The questionnaire has two sections - A and B. Section A contains one item on the demographic information of the respondents such as location of business while section B has 8 items in cluster B1 which is structured in four-point rating scale of Very High Extent (VHE), High Extent (HE), Low Extent (LE), and Very Low Extent (VLE).

The face validity of the instrument was established using the opinions of three experts, two experts from Department of Vocational Education and one expert from Measurement and Evaluation all from Faculty of Education, Chukwuemeka Odumegwu Ojukwu University, Igbariam campus. The reliability of the instrument was established using pilot-testing method and data collected were analyzed using Cronbach Alpha formula, and Coefficient value of 0.81 obtained. The researchers with the help of three research assistants adequately briefed, administered the questionnaire to the respondents in their offices. On-the spot administration and collection method was adopted. Out of 120 copies of questionnaire distributed, 116 (97%) were correctly filled and returned. Data collected were analyzed using mean and standard deviation to answer the research question and determine the homogeneity of the respondents' opinions. t-test was used to test the null hypothesis at 0.05 level of significance. A hypothesis was rejected where the p-value is less than the alpha value but accepted where the p-value is greater or equal to the alpha value. All the analyses were done using SPSS version 23.

Result

Research question 1

To what extent do managers of small scale enterprises utilize technical skills for successful business operations in Bayelsa State?

Table 1: Respondents’ mean ratings on the extent managers of small scale enterprises utilize technical skills for successful business operations

S/N	Items on Utilization of Technical Skills	$\bar{X}$	SD	Remarks
1.	Operate electronic filing of documents	1.54	.81	Low Extent
2.	Ability to use the computer in analyzing production data.	2.43	.69	Low Extent
3.	Knowledge of technical machines/equipment used in the enterprise	2.52	.69	High Extent
4.	Exhibit good knowledge of information and communication technology.	1.45	.70	Very Low Extent
5.	Good knowledge of analyzing production/ manufacturing efficiency	1.56	.61	Low Extent
6.	Knowledge of inventory planning/ control	1.47	.59	Very Low Extent
7.	Good knowledge of production processes	2.55	.81	High Extent
8.	Good knowledge of manufacturing processes	2.14	.74	Low Extent
Grand Mean		1.96		Low Extent

Field Work 2023.

Data in table 1 shows that items 3 and 7 are utilized for successful business operations at high extent with mean scores ranged between 2.52 and 2.55, items 1, 2, 5 and 8 are utilized at a low extent with mean scores ranged between 1.54 and 2. 43 while the remaining two items (items 4 and 6) are utilized at a very low extent. The grand mean score of 1.96 shows that managers of small scale enterprises utilize technical skills for successful business operations in Bayelsa State at a low extent. The standard deviations for all the items are within the same range showing that the respondents are not wide apart in their ratings.

Hypothesis 1

There is no significant difference between the mean ratings of urban and rural managers of small scale enterprises on the extent of utilization of technical skills for successful business operations in Bayelsa State.

Table 2: Summary of t-test analysis of significant difference between urban and rural managers on the extent of utilization of technical skills for successful business operations

Location	N	$\bar{X}$	SD	df	t-value	p-value	Decision
Urban	81	1.57	.66	114	0.04	0.08	Not Significant
Rural	35	2.25	.71				

Table 2 shows that t - value of 0.04 at 114 degree of freedom with p-value of .08 is greater than the significant value of 0.05 ($0.08 > 0.05$). This means that there is no significant difference between the mean ratings of urban and rural managers of small scale

enterprises on the extent of utilization of technical skills for successful business operations in Bayelsa State. Therefore, the null hypothesis is accepted.

Discussion of Findings

Findings of the study showed that managers of small scale enterprises utilize technical skills for successful business operations in Bayelsa State at a low extent. The findings indicated that skills such as ability to operate electronic filing of documents, use the computer in analyzing production data, exhibit good knowledge of ICT, analyze production/manufacturing efficiency and have good knowledge of technical machines/equipment used in the enterprise among others are utilized by entrepreneurs for successful business operations at a low extent. The finding of this study agrees with that of Okoye and Nwangwu (2021) which showed that the technical skills of managers of small scale enterprises are at low level. Nnabuike et al. (2018) stated that the roles of small scale enterprises cannot be overemphasized in providing employment and contributing to sustainable economic development of Nigeria. The authors however, noted that majority of these small scale enterprises do not survive up to the next generation and no more than a few get to the third generation, thus making them unable to meaningfully contribute economically to the States and the nation at large. The survival rate of the small scale enterprises has been attributed to technical skills (Ogbotubo (2018). Okoye and Nwangwu (2021) stated that requisite technical skills needed to keep small scale enterprises afloat are not put in use by the managers of the small scale enterprises, thus the pitiable state of small scale enterprises, particularly in Bayelsa State.

The finding of the study further revealed that there is no significant difference between the mean ratings of urban and rural entrepreneurs of small scale enterprises on the extent of utilization of technical skills for successful business operations in Bayelsa State. It could be that entrepreneurs in urban and rural areas lack technical skills which may have contributed to their low utilization for successful business operations. This could be the reason for their homogeneity in mean ratings. It was further found that business location has no significant influence on the level of business management skills required by the entrepreneurs. This was in agreement with Akabueze (2012) who held that prospective entrepreneurs should possess entrepreneurial skills irrespective of their location in the state.

Conclusion

Based on the findings of this study, the researchers concluded that managers of small scale enterprises to a low extent utilize technical skills for successful business operations.

Recommendations

Based on the findings of this study, the following recommendations are made.

1. Managers of small scale enterprises should attend additional skill training programmes to acquire technical skills for effective utilization for sustainable economic development.
2. Bayelsa State government should organize regular skill empowerment programmes for managers to enable them acquire the technical skills which will enhance their utilization in operations of their small scale enterprises.
3. Managers of small scale enterprises should increase their utilization of the technical skills in conducting business activities. This will enable them to contribute to the sustainable economic development of Bayelsa State.

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