ENTREPRENEURIAL SKILL ACQUISITION AND JOB CREATION IN BENIN CITY, NIGERIA

ABSTRACT

A lot of youthful energies, talents and material resources are wasted and/or untapped due to neglects and unsupportive environment in Nigeria. These energies that should have been used to generate jobs, revenues and improve the nation’s economy are often wrongly channeled and misused. This study investigated the influence of entrepreneurial skill acquisition on job creation in Benin City Metropolis, Nigeria. The specific objective was to examine the extent of relationship between entrepreneurial skills acquisition and job creation. The study was anchored on McClelland’s theory of need for achievement and goal setting which forms the basis of activity for most entrepreneurs. Both primary and secondary sources of data were used to obtain data for the study. Pearson’s Product Moment Correlation was employed to test the formulated hypothesis while Statistical Package for Social Sciences (SPSS) version 21 was adopted in the analysis of data. Findings revealed that acquisition of entrepreneurial skills is an indispensable means of making jobs available in Benin City, Nigeria. Entrepreneurial skill acquisition should therefore be encouraged to enhance development of initiatives by the youths, and put into productive use the resources in our local environment. The study advocates that both public and private sectors should establish skill acquisition centers which would be adequately equipped and funded to achieve the desired goal. The study also recommended improved practical programmes in school curriculum, creating awareness through entrepreneurial skill training classes, development programmes, seminars, conferences, symposiums and workshops.

KEY WORDS: Entrepreneurship, Skill Acquisition, Job Creation, Youths, Benin City.

1. INTRODUCTION

One of the major goals of economic development strategies pursued by successive Nigeria Government has been the reduction of unemployment through job creation. Burnett (2000) asserts that entrepreneurship is a necessary ingredient for stimulating growth and successful economic development. Entrepreneurs orchestrate these transformations and create new channels for economic activity and employment. Thus, all countries that wish to pursue continued development must encourage entrepreneurship. Entrepreneurs are creators of employment for the Nigerian growing population which has significant effect on poverty...
Alleviation of unemployment most likely has positive influence on poverty alleviation. Entrepreneurship has therefore gained increased prominence and importance as a key factor in job creation, economic growth and development.

The major problem confronting Nigeria Youths today is joblessness. These youths constitute greater fraction of Nigeria’s economically active population. According to Awogbenle and Iwuamadi (2010), the statistics from federal bureau of statistics showed that Nigeria has a youth population of 80 million representing 60 percent of the total population of the country. Also, 64 million of them are unemployed, while 1.6 million are underemployed. This implies that a lot of energies that would have been used to generate revenues and improve the economy are being wasted. Youths, like other classes of the population have needs to meet (Nnabuife, 2009), but since 1980’s the important roles of the youths have continued to suffer some set back as they can hardly engage themselves in meaningful work (Davies, 2006). The consequence is frustration expressed through various vices that constitute insecurity in the country.

Joblessness is further compounded by the fact that a good number of organizations were closed down due to inadequate training of staff, poor understanding of the market, poor infrastructural services, unstable political environment, lack of clear and suitable marketing strategies. Other challenges are insecurity, inadequate funding, lack of innovativeness, lack of good corporate social responsibility and community friendship.

Unemployment problems pervade almost all countries of the world, but at varying degree of intensity. In some countries, unemployment rate could be very low as in advanced countries of the world such as United States of America, Japan and England. In a developing country, such as Nigeria, unemployment rate with its attendant problems is very high. The problems created by unemployment ranges from idleness, gossiping, stealing, robbery, prostitution, money launderings, political thuggery, insurgency, kidnapping, cultism, and many more.

Previous governments in Nigeria had tried to solve these problems in the past through various programmes like Better Life for Rural dwellers, Operation Feed the Nation, Green Revolution and Mass Mobilization for Rural Women. However, these have not achieved reasonable result because while job creations were growing at arithmetic progression, graduates turnouts from our increasing tertiary institutions were growing at geometric progression.

The issue of joblessness was further aggravated by what the curricula of studies have to offer. Nigeria education system as inherited from colonial master does not equip our graduates with the skills needed to create jobs. It is tailored towards white collar jobs seeking (Nwadiana, 2011). It is most likely that a society where more youths seek white collar jobs, rather than create jobs will certainly witness the vices associated with high unemployment rate. Our tertiary institutions based a greater portion of their teachings on theory. They lack sufficient practical lessons. Today, most graduates in engineering, accounting, medicine, law, to mention a few lack the prerequisite practical experience and skills needed to take up pay employment, talk less of demonstrating initiatives to generate or create jobs. This study advocates development of entrepreneurial skills as an important way forwards in creating enough jobs for our teeming youths with our abundant natural resources and talents. This will further imbibe in our youths the culture of dignity in labour.

This study therefore seeks to investigate the extent of relationship between entrepreneurial skill acquisition and job creation in Benin City of Nigeria. It attempts to explore the need to equip the youths with necessary entrepreneurship skills for tapping and transforming the available resources in the environment instead of waiting for government intervention in job creation.

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual Review:-

2.1.1 The Concept of Entrepreneurship:-

The classical and neo-classical theorists have laboured in trying to define entrepreneurship, but there is no single definition of Entrepreneurship. It all depends on the focus of the one defining it and from which projects one looks at it. Some researchers look at entrepreneurship from economics view, sociology, anthropology, management and social prospective. Hence Bula (2012) noted that Entrepreneurship is a multidimensional concept. An Irish-French economist Richard Cantillon was the first to define Entrepreneurship in his book "Essay on the nature of trade in general". Cantillon saw the entrepreneur as a risk taker. (Duru, 2011)

Nwafor (2007), as cited by Ediaqbonya (2013) defines entrepreneurship as the willingness and ability of an individual to seek out investment opportunities in an environment, and be able to establish and run an enterprise successfully based on the identified
opportunities. The person that possesses these entrepreneurial qualities is called an entrepreneur.

In the views of Hisrich, Peters, and Shepherd (2007), entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition stresses four aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves creating something of new value. Second, entrepreneurship requires the devotion of necessary time and effort. Third, entails assumption of necessary risks. The fourth and financial aspect of the definition involves the rewards of being an entrepreneur. The most important of those rewards are independence and personal satisfaction.

Entrepreneurship according to Onuoha (2007) is the practice of starting new organisations or revitalizing mature organisations particularly new businesses generally in response to identified opportunities. The view of Onuoha places emphasis on newness. This means that entrepreneurship is associated with new ideas and introducing something different from what already exists.

2.1.2 Entrepreneurial Skill:

The concept of entrepreneurial skill according to Anho (2014) is associated with various activities, but not limited to the following: Innovation, creativity, risk taking, initiative, visionary, focus, determination, team spirit, resourcefulness, financial control, self-confidence, versatility, knowledgeable, dynamic thinking, optimum disposition, originality, people oriented, flexible in decision, responses to suggestions and criticism, need achievement driven, profit oriented, persistent and persevering, energy for hard work, adjustment to challenges and future looking.

Entrepreneurial skills help to create and develop enterprise in various areas (Ewubare, 2010). In similar vein Entrepreneurial skills is associated with various activities such as; innovation, imitative, creativity, resourcefulness, need achievement driven, profit oriented persistent and persevering, adjustment to challenges and future looking (Anho, 2011).

Drucker (1985) argued that entrepreneurial skill is a practice and discipline and like any discipline, it can be learned. Entrepreneurial skill process occurs over a period of time and requires the active involvement of entrepreneurs. These skills according to Cooney (2012) are:

- Technical Skills, which are those skills necessary to produce the business product or service.
- Managerial Skills, which are essential to the day-to-day management and administration of the company.
- Entrepreneurial Skills, which involve recognizing economic opportunities and acting effectively on them.
- Personal Maturity Skills, which include self-awareness, accountability, emotional skills and creative skills.

Odia and Odia (2013) posit that entrepreneurial skills acquisition can be obtained through various avenues such as: attending entrepreneurial training classes, development programme seminars and workshops. Universities, job rotation, special (intensive) training, articleship or apprenticeship, organisational learning, R&D Institutions, consultants, natural and international agencies and bodies, non-governmental organisations (NGOs) and professional bodies.

Akiwu (2002) notes that entrepreneurial skills include perception of business opportunities where others do not, searching for change, responding to it and exploiting it as an opportunity. Schumpeter (1939), Steinhoff and Bureass (1993), Nelson and Leach (1981), as cited by Anyakoya (1995) see entrepreneurial skills as capitalist qualities which help to recognize money-making opportunities, gather resources, assume risks through the imitation of actions, organized and manages these resources to exploit the opportunities so identified. Gujrati (2013) sees entrepreneurial skill as an important mechanism for economic development through employment, innovation and welfare effects.

Henry (2003), views entrepreneurial skill as the engine driving the economy of nations, creating new industries, young entrepreneurs, employment and wealth. Again, in the view of Aghion (2008), entrepreneurial skill involves a process aimed at creating wealth for the purpose of growth.

Soyibo (2006) in Duru (2011) defines entrepreneurial skill as the process of identifying an opportunity related to needs satisfaction and converting if to a product or service of value. It can also mean the process and activities undertaken by entrepreneurs directed at capturing value associated with business opportunities. It can be seen as a processes driven by the desire innovate, that is producing new things (goods and services, processes and approaches) or improving on existing ones, and profiting from it. According to Duru
(2011) early scholars described entrepreneurial skill from the perspective of functions of an entrepreneur, which include as an inventor, imitator, innovator, or more appropriately as a calculated risk taker.

In designing an organisation, capital, land, material and labour are important factors to be considered. The most important factor is labour or innovation of the entrepreneur. (Cooney 2012) This entrepreneur occupies a unique position of determining the right mix of these four factors of production to yield maximum and efficient results. Entrepreneurial skills are necessary for the survival of any organization.

2.1.3 The Role of Entrepreneurship in Job Creation:-

Entrepreneurship and job creation are intimately related. According to the Global Entrepreneurship Monitor Report (2000), about 70 percent of an area’s economic performance and well being is dependent upon how entrepreneurial the area’s economy is. The above assertion is an indication that when there is entrepreneurship development, jobs will be created and there will be increase in the supply of goods and services, inflation will reduce, employment will create wealth and poverty will be alleviated.

In line with the above, Assudani (2009) observed that one of the major contributions that entrepreneurs make on an economy is job creation and the reduction of unemployment levels within the economy. In developed countries, almost 40 to 50 percent of the workforce is employed in small and medium scale business enterprises set up by various entreprenising individuals. In developing countries like Nigeria, millions of people have been able to pull their facilities out of poverty through self employment and entrepreneurship. It has been estimated that between 45 to 60 percent of the urban labour force work for private enterprises. The small and medium enterprises sector provides, on average, 50 percent of Nigeria’s employment, and 50 percent of its industrial output (Ariyo, 2008).

A World Bank Report (2004) has put SME contribution to employment and GDP in three categories of:

1. Low income countries.
2. Middle income countries.
3. High income countries.

This is summarised in the table below.

<table>
<thead>
<tr>
<th>Table:2.1 SME Contribution to Employment and GDP (median values.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low income countries</strong></td>
</tr>
<tr>
<td>SME contribution to Employment(%)</td>
</tr>
<tr>
<td>SME contribution to GDP(%)</td>
</tr>
</tbody>
</table>


The above table shows that low income countries have very low rating in terms of SME contribution to Employment and GDP. Most African countries fall within low income countries bracket with SME contribution to employment at 32% of total labour force and 13 percent contribution to GDP. The middle income countries and high income countries have higher rating in both SME contribution to overall employment and GDP.

Ikon (2007) remarks that with the present global trend of liberalized economies, entrepreneurship is at the centre stage as both the driver and facilitator of economic development efforts. In capitalist societies, entrepreneurs have played crucial role in manufacturing and service output, contribution to Gross Domestic Product (GDP), employment generation and overall economic development.

2.2 Theoretical Framework:-

This study is anchored on McClelland (1961) theory of need for achievement and goal setting. McClelland argues in his book “The Achieving society”, that the drive towards achievement is the basis of activity for most entrepreneurs. He used the Jews in his illustration. According to him, the Jewish child is shown from the beginning that he has to maintain and remain on top in order to counteract the attitude of the society towards him.

From the view expressed, the initiatives, innovation, opportunities and proactiveness which are basic entrepreneurial skills form the basic spring board for this study. McClelland theory of needs was adopted because the current study advocates equipping the youths with needed and necessary entrepreneurial skills that can help them to strive for excellence in order to counteract the attitude of the society towards them.
2.3. Empirical Review:-

Ezie (2012) examines the youth unemployment and its socio-economic implications in Nigeria. The study found that the war against unemployment is so enormous that it cannot be left for the sole effort of the government. All stakeholders must therefore work together to get over the hurdles of unemployment. Gujralati (2013) in investigating the role of SME’s in the economic development, found that economic growth generated by entrepreneurial skill is the core engine of a virtuous cycle that develops an economy and that successful entrepreneurs, through their breakthrough technologies and rapidly growing business, create new wealth that can generate even greater economic growth.

Maina (2013), writing on the role of entrepreneurial skill on job creation among youths in Nigeria, concluded by suggesting that inclusion of entrepreneurial courses in all disciplines will to a greater extent, assist in solving this problem of high unemployment and underemployment and that entrepreneurial skill acquisition is a key driver in encouraging business start up potentials among graduates (Wilson, Liewellyn and Robertson 2003) cited in Mafela (2009). Emeh (2012) writing on tackling youth unemployment in Nigeria, using Lagos state as an example, recommended that government alone may not be able to create enough jobs for the teeming millions of Nigeria unemployed youths, and therefore should embark upon massive youth development programmes in all the states of the federation with entrepreneurial skills acquisition as a key target, hence a viable intervening tool for unemployment.

Maina (2013) in his write up on the role of entrepreneurship opportunities and challenges in Nigeria, recommended that all stakeholders should encourage the proposed introduction of entrepreneurship study across faculties and departments as general courses in the country.

Duru (2011) in his work on entrepreneurship opportunities and challenges in Nigeria, recommended entrepreneurial skill as essential for rapid and sustainable economic growth and development. It creates the required manpower and skills necessary for accelerated growth, reduce unemployment and poverty. He concluded by advising Nigeria to assign significant and increasing role to entrepreneurship in her effort to revamp the economy.

Odia and Odia (2013) carried out study on developing entrepreneurial skills and transforming challenges into opportunities in Nigeria. They found that there was no use possessing academic degrees without working and recommended adequate funding of entrepreneurial skill education to meet the present day reality of provision of job opportunities.

Cooney (2012) in investigating entrepreneurial skill for growth oriented business, found that entrepreneurs must be motivated to grow the business and must be provided with increased access to networks, finance and international markets. Anho (2014) examines entrepreneurial skills as a panacea for unemployment, poverty reduction and national insecurity in developing and underdeveloped countries and came up with a recommendation that entrepreneurial skills acquisition goes beyond training and education. It involves a process of human capacities building through formal and informal training inculcating in the entrepreneur basic entrepreneurial skills such as financial skills, technical skills, creative skills, and managerial skills, intellectual skills, marketing skills, communication skills and technological skills. He therefore recommends entrepreneurial skills for job creation to grow the economy.

Ediagbonya (2013) carried out an empirical study to investigate the role of entrepreneurial skills in ensuring economic empowerment and development. He found out that entrepreneurial skills acquisition will help to check high dependency ratio (ratio of dependent population on working population). Cray (2011) noted that job creation is difficult to measure and sees job creation strategies in terms of government policies that stimulate job creation. Such policies are interest rate reduction, worker subsidies, tax incentives and entrepreneurial skill development. Job creation within the context of the work mean to be able to start your own business on graduation and be employable due to entrepreneurial skill acquired. This is also referred to as youth empowerment.

The studies referred to in this empirical review all concentrated on the importance of entrepreneurial skills for creating jobs, wealth and growing the economy in Nigeria as a country. None of these studies emphasize on entrepreneurial skill as it affects Benin City metropolis where employment rate seem to be high. Hence, this study will attempt to add to the body of studies by emphasizing entrepreneurial skills and job creation in the local governments that constitute Benin City metropolis and make recommendation that will close this gap of entrepreneurial skill studies.

3. METHODS

3.1 Research Design:-

The study employed descriptive research design whose purpose is to collect detailed and factual information that describes the existing phenomenon.
3.2 Population of the Study:-

Due to paucity of data on the number of working and non working population in Benin City, the researchers decided to make use of available data at Independent National Electoral Commission (INEC) office, Benin City. The population is therefore centered on 579161 registered voters in Egor, Oredo and Ikpoba-Okha local government areas that constitute Benin city metropolis. This provided a more comprehensive and reliable data. The population includes both employed and unemployed citizens of Benin City metropolis from where useful sample was drawn.

Table 3.1: Number of 2015 registered voters

<table>
<thead>
<tr>
<th>LGA</th>
<th>Registered voters</th>
</tr>
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<tbody>
<tr>
<td>Oredo</td>
<td>249042</td>
</tr>
<tr>
<td>Egor</td>
<td>170257</td>
</tr>
<tr>
<td>Ikpoba-Okha</td>
<td>159862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>579161</strong></td>
</tr>
</tbody>
</table>

Source: INEC office, Benin City.

3.3 Sample Size and Sampling Technique:-

From a population of 579161, a sample size of 400 was drawn using Taro Yamane formula. Taro Yamane formula:

\[ n = \frac{N}{1 + N(e)^2} \]

Where

- \( n = \) Sample size
- \( N = \) Population of the study
- \( e = \) Error of margin at 5% level
- \( I = \) Mathematical constant

\[ n = \frac{579161}{1 + 579161(0.05)^2} \approx 400 \]

3.4 Method of Data Collection:-

Data for the research were collected from both primary and secondary sources. The study made use of journal articles, textbooks, manuals and structured questionnaire followed by personal interviews to ensure clarity in certain areas. Copies of the questionnaire were distributed to the unemployed and underemployed in Egor, Oredo and Ikpoba-Okha local government area that make up Benin City metropolis. The respondents were placed on a four Point Likert scale with scoring weight as follows: Strongly Agree-4 points, Agree-3 points, Disagree-2 points, Strongly Disagree-1 point.

3.5 Method of Data Analysis:-

Pearson’s Product Moment Correlation was employed in testing the formulated hypothesis while Statistical Package for Social Sciences (SPSS) version 21 was adopted in the analysis of data. The statistical correlation is significant if coefficient is more than 0.5. If the P-value is high, it cannot be determined that the correlation actually exists.

3.6. Test of Hypothesis:-

**H0:** There is no significant relationship between entrepreneurial skill acquisition and job creation in Benin City.

**H1:** There is a significant relationship between entrepreneurial skill acquisition and job creation in Benin City.

Table 3.2: Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>R</th>
<th>Sig(2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job creation</td>
<td>400</td>
<td>0.242</td>
<td>0.001</td>
</tr>
<tr>
<td>Entrepreneurial skill</td>
<td>400</td>
<td>0.242</td>
<td>0.001</td>
</tr>
</tbody>
</table>

\( \alpha = 0.05 \)

3.7 Discussion of Findings:-

The result in table 3.2 above showed correlation values of 0.242 with a P-value of 0.001. This indicates that the null hypothesis should be rejected and the alternative hypothesis accepted (at alpha level of 0.05). The alternative hypothesis states that there is a positive relationship between entrepreneurship skill acquisition and job creation. The correlation value of 0.242 in the table shows positive relationship, meaning that as entrepreneurial skill increases, job creation also increases.

The study has achieved its objective of providing insights into the relationship between entrepreneurial skill and job creation. This result supports the study by Lemon (2013) who sees entrepreneurial skill as a tool for job creation. It is also in line with the view that entrepreneurial skill has positive effect on job creation as advocated by Nwadiani (2011) and negatively affects criminality in the society, because as more youths are engaged, their tendency for criminal activities will also reduce. A good number of graduates are turned out from our tertiary institutions annually, without corresponding job creation on the part of government.

3.8. Conclusions and Implications:-

We conclude that there is a significance positive relationship between entrepreneurial skill acquisition and job creation in Benin City. Entrepreneurial skills are a mean of self-empowerment and adjustment into the society. This implies that when there is entrepreneurship skill acquisition, jobs will be created. This will lead to increase in productivity, and abundant supply of goods and services. This in the long run will create wealth.
alleviate poverty and lead to national economic growth and development. It also implies that over dependent on white collar job will render our graduates and available resources idle. Entrepreneurial skill acquisition becomes a necessary option that should be promoted by the government and embraced by our youths to reduced joblessness as well as criminal activities in Benin City, Nigeria. Therefore, given the importance of entrepreneurship to economic growth and development, it is incumbent upon government to increase the supply of entrepreneurs through entrepreneurial skill acquisition in Benin City and Nigeria as a whole.

3.9 Recommendations:-

Based on the findings, it is strongly recommended that our youths should be encouraged to develop initiatives through the acquisition of entrepreneurial skill, and put into productive use numerous untapped resources in our local environment. The following recommendations are suggested.

1. Youth should be encouraged to be self-reliance. Entrepreneurial skill acquisition should be made more of practical programme in schools than theory to equip the youths with the basic skills required for optimal performance. This can be achieved through improved school curriculum.

2. Government should encourage entrepreneurial skill development through creation of enabling environment that will support entrepreneurial skill acquisition. Both public and private sectors should establish skill acquisition centers which should be adequately equipped and funded to achieve desired goals. As observed by Ezie (2012), the war against unemployment is so enormous, that it cannot be left for the sole effort of the government. All stakeholders must therefore work together to overcome the hurdles of unemployment.

3. Government should promote awareness programmes that will enlighten the youths and other stakeholders on the need to develop positive mindset towards becoming employers of labour instead of job seekers. Such programmes will include entrepreneurial skill training classes, development programmes, seminars, conferences, symposiums and workshops.

Without a proactive and effective line of action which extends beyond Nigeria risks systemic poverty. This is because unemployed youth will be available for anti-social criminal activities which will scare potential local and foreign investors, and in turn grind the economy to a halt.

REFERENCES


