



## **PERCEIVED INFLUENCE OF BUSINESS EDUCATION PROGRAMME ON SMALL AND MEDIUM ENTERPRISES (SMES) GROWTH AND NATIONAL DEVELOPMENT IN NIGERIA**

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### **Abstract**

*This study examined the influence of business education on SMEs growth and national development in Nigeria. Two research questions and two hypotheses guided the study. This study adopted a descriptive survey design. The population for the study was infinite population of business education graduates that operate SMEs in Edo and Delta States, Nigeria. A sample of 150 respondents was obtained randomly in a period of two months. The instrument for data collection was a 20 - item questionnaire and oral interview. Three experts adequately validated the instrument. It yielded reliability coefficient of 0.86 using Cronbach Alpha procedure. One hundred and fifty copies of the questionnaire distributed were retrieved and found usable. Data collected were analyzed with the use of mean and standard deviation to answered the research questions and t-test was used in test of hypotheses. The findings of this study revealed that business education have a strong influence with both SMEs growth and national development in Nigeria. SMEs also, have a high positive influence on national development. Moreover, the study implies that SMEs growth and national development can be enhanced with rich quality and creative business education programme in Nigeria. It was, therefore, recommended among others, that quality business education programme should be established at all level of higher learning institutions in Nigeria in order to improve the skills and abilities of would-be small scale business owners and managers for national development and business education programme at all levels should support practical skill learning as it serves as a basis for economic revival and a main stream activity to enable transformation to take place very fast in the society.*

*Keywords: Impact, Development, Growth, SMEs, Business Education, National*

### **Introduction**

Education serves as a cornerstone for any form of development as it lies at the heart of every society. It is a key and vital element in the broad development of a nation's youth capacity to address and solve surrounding problems. Ezeani (2012) averred that education consolidates and holds upon basic education to empower the youth to live, function as productive members of the society, earn a living and contribute to societal progress. Ugwuogo (2013) asserted that business education is the bedrock of any national development since business education recipients can benefit from school education when they are exposed to courses like small scale business management with different skills that are saleable in the labour market and the world of business. Business education encompasses several disciplines that enable recipients to think, speak and behave in a manner to support organizational growth, efficiency and effectiveness.

Kaegon in Ijishar and Ayidiowu (2015) asserted that business education must be ready to offer its recipients functional education that will enhance their performance as well as assist them to contribute meaningfully to national



development. Thus, business education as a programme is expected to expose its recipients to a diversity of curricula to inculcate in its recipients the attitudes, knowledge, skills and values that are required in the world to perform and contribute to national development. Ijishar and Ayidiowu (2015) saw business education as the fundamental theory of business which helps an individual to perform well in the world of business. The authors expressed further that business education is that aspect of education that provides the knowledge, skills, understandings and other attitudes needed to perform well in the world of business as producers and/or consumers of goods and services that businesses offer.

Igboke (2000) defined business education as a dynamic field of study geared towards preparing youths and adults for and about business. It is the preparation for a career in business where instruction is designed to prepare youths and adults for actual practice in the world of business. On the other hand, education about business involves preparation of youths and adults for intelligent and effective consumption of economic goods and services offered to society in a free enterprise economy. However, business education ought to produce responsible, productive and self-reliant citizens. This highlights the importance of business education in inculcating in its recipients knowledge, values, attitudes and skills needed in the business world. Enwemasor, Utebor and Okocha (2016) defined business education as that part of vocational education that prepares individuals for gainful employment through the acquisition of skills and knowledge that prepare individuals for the world of business. Knowledge acquired through business education help the recipients to set up businesses and run them effectively without failures.

Business education graduates are expected to set up their own small and medium enterprises (SMEs) and manage them effectively without failure due to the skills, knowledge and attitude they have acquired in the course of training. The dynamic role of SMEs in developing countries as engines through which the growth and development of a country is achieved has long been recognized. Small and medium enterprises have been accepted as instruments of economic growth and national development (Opafunso & Adepoju, 2014). The authors stressed further that SMEs have proved to be a major intervention in resolving the problems of poverty and unemployment in most developing countries to attain socio-economic development. According to Ikherehon (2002), SMEs constitute the very basis of the national economy in terms of the development of local technology, stimulation of indigenous entrepreneurship, mobilization and utilization of domestic savings, employment creation, structural balancing of large and small industry sectors in both rural and urban areas, supply of high quality intermediate products thereby strengthening the international competitiveness of manufacturers' goods, stimulate technological development and innovations, provide the capacity to expand export possibility and substitute import effectively.

In recent time, the small scale industrial sector is considered to be the backbone of modern day economy. Historical facts show that prior to the late 19th century, cottage industries, mostly small and medium scale businesses, controlled the economy of Europe (Opafunso & Adepoju, 2014). The twin oil shocks during the 1970s undermined the mass production model which triggered the unexpected



reappraisal of the role and importance of small and medium enterprises in the global economy (Wendrell, 2003). In Nigeria, the introduction of SME can be traced back to the year 1945 when the Essential Paper No. 24 of 1945 on “A Ten Year Plan of Development and Welfare of Nigeria 1946 was presented” (Opafunso & Adepoju, 2014). Small and medium scale enterprise was considered an all-time necessity at the beginning, which has gained prominence today and is expected to increase its importance in the future (Basil, 2005). The concept of SMEs varies with culture and peculiar circumstances of the person attempting the definition. The definitions in use depend on the purposes and the policies which govern the SME sector in a particular country. However, the three parameters that are generally applied by most countries, singly or in combination are capital investment, volume of production and turnover of business.

According to Jamodu in Opafunso and Adepoju (2014), small and medium scale enterprises are defined on the basis of employment. In micro/cottage industries (1-10 workers), small scale industries (11-100 workers), medium scale industries (101-300 workers) and large scale industries with (301 and above). In Japan, small and medium firms secure capital up to one hundred million Japanese yen and less than 299 employees involved in manufacturing. In a developing country like Nigeria, the importance of SMEs in the process of socio-economic development cannot be overlooked. The importance of SMEs in the development of the country has been summarized in Nigeria’s Third National Development Plan 1975-1980 as the generation of employment opportunities, stimulation of indigenous entrepreneurship, facilitation of effective mobilization of local resources including capital and skill as well as reduction in regional disparities (Rahanaty, 2009). Thus, it is expected that business education which often leads to business enterprises would help in alleviating poverty and reducing unemployment thereby contributing to national development.

National development is the means by which people’s welfare can be improved by eliminating illiteracy, ignorance and poverty and providing amenities like education, transportation and health care, and among others (Ayoola, 2015). Ijishar and Ayidiowu (2015) saw national development as the ability of a nation to improve the lives of citizens in terms of human capital, economy, social improvement, democracy building, among others. According to Lawal (2014), it is an exploitation and utilization of both human and material resources to improve the lots of a nation as it embraces improvement in the social welfare of the people of that nation. As earlier noted, business education enables students to explore and learn about the world of work and the relevant interest and career interest of their choice, provide them with the necessary occupational information to enable them understand the various occupations in the world of work and enable them to acquire skills in the field of their choice. Business education contributes in the educating the citizens of a country to run their businesses more successfully which helps to improve the economy of a country and thus helps indirectly in national development.

Business education plays a vital role in national development, especially in the areas such as generation of employment/creation of job opportunities, industrial development, entrepreneurship strategy, poverty alleviation, promotion of the Nigerian economy and promotion of Nigerian culture and value. It is a form of



vocational education that is directed towards developing the learner to become productive in teaching, paid employment and self-employment (Idialu in Amoor, 2010). According to Ugwuogo (2013) business education prepares beneficiaries for gainful employment and sustainable livelihood. It is generally seen as education for and about business. Business education for business is that aspect of vocational education which provides instruction and preparation for office occupations. On the other hand, education about business provides knowledge and understanding of the economic, financial, marketing, accounting, management system and other branches of business endeavour. The primary aim of business education is the preparation of people for roles in enterprises and such roles could be as employees, entrepreneurs and employers or simply as self-employed. Therefore, there is no gain-saying the fact that business education is what Nigeria needs most now to help her solve most of her socio-economic and developmental challenges especially in the realm of small and medium businesses for national development.

### **Statement of the Problem**

Small and medium enterprises in Nigeria seem not to be performing creditably well and hence have not played expected vital and vibrant role in the economic growth and national development in the country. This situation has been of great concern to the government, citizenry, operators, practitioners and the organised private sector groups. Year in year out, the governments at federal, state and even local levels through budgetary allocations, policies and pronouncements have signified interest and acknowledgement of the crucial role of the SME sub-sector of the economy and hence made policies for energizing same. There have also been fiscal incentives, grants, bilateral and multilateral agencies support and aids as well as specialized institutions all geared towards making the SME sub-sector vibrant. Just as it has been a great concern to all and sundry to promote the welfare of SMEs, it has also been a great cause of concern to business education programme in higher institutions of learning to impact on the growth of SMEs for national development. The situation is more disturbing and worrying when compared with what other developing and developed countries have been able to achieve with their SMEs.

It has been shown that there is a high correlation between the knowledge, skills and attitude acquired through business education programme and the degree of vibrancy of SMEs growth for national development (Ijishar & Ayidiowu 2015). It is, however, important to mention here that in spite of the existence of business education programmes, not much benefit have been substantially realized from SMEs on national development. This means that a lot more needs to be done including a paradigm shift in the focus and implementation of business education programmes to promote SMEs growth. Thus, this study forms the basis to examine the impact of business education on SMEs growth for national development in Nigeria with a view to coming out with conclusion and appropriate recommendations. Specifically, the study was conducted in Edo and Delta States, Nigeria to elicit the opinion of business educators that operates SMEs in these two States to known the influence of business education on the growth of SMEs and how it contribute to national development.



### **Purpose of the Study**

The main purpose of this study was to assess the perceived influence of business education programme on SMEs growth and national development in Nigeria. Specifically the study sought to:

1. Examine the influence of business education on SMEs growth in Nigeria.
2. Examine the influence of business education on national development.

### **Research Questions**

The following research questions were raised to guide the study.

1. What are the perceptions of SMEs operators on the influence of business education on SMEs growth?
2. What are the perceptions of SMEs operators on the influence of business education on national development?

### **Hypotheses**

The following null hypotheses were formulated and tested at 0.05 level of significance.

1. There is no significant difference in the mean responses of male and female operators of SMEs on the perceived influence of business education programme on SMEs growth on the basis of size of enterprises
2. There is no significant difference in the mean responses of male and female operators of SMEs on the perceived influence of business education programme on national development on the basis of size of enterprise.

### **Method**

The study adopted descriptive survey research design. According to Nworgu (2015), a survey research design is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. This design, therefore, was considered appropriate for the study as it collected data on the perceptions of business education graduates that operate SMEs in Edo and Delta States. The population of the study is infinite population of business education graduates that are operators of SMEs. Infinite population have indefinite number of elements that cannot be determined and/or accounted for (Nworgu, 2015). The study used purposive sampling method to randomly sample a total of 150 respondents from Edo and Delta States. The research was conducted with the use of structured questionnaire and interview to generate data. The two instruments were used for the purpose of obtaining information and data from the respondents. The questionnaire contained 20 items in two clusters to collect the data from target sample and the items were scaled on a 4-point Likert-type rating scale as follows: Strongly Agree (SA) 4-points; Agree (A) 3-points; Disagree (D) 2-points and Strongly Disagree (SD) 1-point. The instrument was validated by two experts in business education and one in test and measurement. The experts' corrections and recommendations were integrated to produce the final copy which was administered to respondents. The reliability of the questionnaire was established through a pilot test using 20 business educators that operate SMEs in Anambra State and 0.86 coefficient index was obtained using Crombach alpha. A total of 150 copies of the questionnaire were administered by the researchers with the help of two



research assistants and all the copies were retrieved and used for analysis. The data obtained from the field were presented and analyzed with descriptive statistics of mean and standard deviation to provide answers to the research questions while the corresponding hypotheses were tested with t-test at 0.05 alpha level.

## **Results**

### **Research Question One**

What are the perceptions of SMEs operators on the influence of business education on SMEs growth?

**Table 1: Mean Responses of Male and Female operators of SMEs on the Influence of Business Education on SMEs Growth**

| S/N | Items of Impact of Business Education on SMEs Growth   | Mean | SD   | Remarks |
|-----|--|------|------|---------|
| 1   | Business education skills and knowledge offers:<br>Guide operators of SMEs in making good financial decision | 3.24 | 0.84 | Agreed  |
| 2   | Help operators of SMEs in identifying customers' needs and want  | 2.85 | 1.00 | Agreed  |
| 3   | Help operators of SMEs in good customer relation and services  | 2.96 | 0.95 | Agreed  |
| 4   | Help operators of SMEs in satisfying customers' needs and wants  | 3.22 | 0.89 | Agreed  |
| 5   | Guide operators of SMEs in creating organisational records   | 2.97 | 0.93 | Agreed  |
| 6   | Help operators of SMEs in maintaining organizational records   | 3.21 | 0.94 | Agreed  |
| 7   | Guide operators of SMEs in assigning responsibilities to their employee                                      | 2.99 | 0.99 | Agreed  |
| 8   | Help operators of SMEs in making sound business plans  | 2.88 | 1.02 | Agreed  |
| 9   | Guide operators of SMEs in setting attainable goals and objectives   | 2.77 | 0.96 | Agreed  |
| 10  | Help operators of SMEs in ensuring proper utilization of the available resources                             | 2.97 | 0.95 | Agreed  |

Table 1 shows the mean responses of respondents on the influence of business education on SMEs growth. With the mean responses ranging from 2.85-3.24, implies that the respondents agreed to all the identified items to be influence of business education for SMEs growth. This indicates that there is about the same variability of data points between the male and the female counter part.

### **Research Question Two**

What are the perceptions of SMEs operators on the influence of business education on national development?



**Table 2: Mean Responses of Male and Female operators of SMEs on the Influence of Business Education on National Development**

| S/N | Items of Impact of Business Education on SMEs Growth   | Mean | SD   | Remarks |
|-----|--|------|------|---------|
|     | Skills and knowledge obtainable in Business Education is:  |      |      |         |
| 1   | Capable of creating employment opportunities for our youth for national development  | 3.08 | 1.01 | Agreed  |
| 2   | Able to increase commensurately productive capacity of the country thereby boosting the national development   | 3.02 | 0.97 | Agreed  |
| 3   | Able to curb certain factors that lead to frauds and subsequent liquidations or distress   | 3.14 | 0.68 | Agreed  |
| 4   | Capable of providing individual with the opportunity of becoming intelligent consumer and/or producer of goods and services  | 3.00 | 0.74 | Agreed  |
| 5   | Business education programme contributes to increase in labour force through its products  | 2.86 | 0.89 | Agreed  |
| 6   | Business education programme empower people and promotes important changes in their live   | 2.53 | 0.95 | Agreed  |
| 7   | Business education prepares beneficiaries for gainful employment and sustainable livelihood  | 3.07 | 0.98 | Agreed  |
| 8   | Business education supports the growth of the society by allowing individual to learn about their rights and acquire the skills and knowledge necessary to exercise them | 2.82 | 0.89 | Agreed  |
| 9   | Business education is a foundation for human resources development required for national development   | 2.99 | 0.68 | Agreed  |
| 10  | Capable of enhancing the earnings of individuals and contributes to economic development   | 3.00 | 0.72 | Agreed  |

Table 2 reveals the mean responses of respondents on the perceived influence of business education on national development. With the mean response ranges from 2.53-3.14, shows that the respondents agreed that all the identified items. This shows that there is about the same variability of data points between the male and the female respondents. This implies that there is significant influence of business education on national development in Nigeria.

### **Test of Hypotheses**

#### **Hypothesis One**

There is no significant difference in the mean responses of male and female operators of SMEs on the perceived influence of business education programme on SMEs growth on the basis of size of enterprises



**Table 3: Summary of t-test Analysis of Male and Female Operators of SMEs Responses on the Influence of Business Education Programme on SMEs Growth**

| Group  | N  | Mean | STD  | Df  | t-Cal | t-Crit | P    | Remarks         |
|--------|----|------|------|-----|-------|--------|------|-----------------|
| Male   | 88 | 3.01 | 0.95 | 148 | 0.59  | 1.96   | 0.05 | Not significant |
| Female | 62 | 2.91 | 0.96 |     |       |        |      |                 |

Table 3 indicates that there is no significant difference in the mean ratings of male and female operators of SMEs on the perceived influence of business education programme on SMEs growth in Edo and Delta States. The Table shows that t-calculated value of 0.59 is less than t-critical table value of 1.96 at 0.05 level of significance and 148 degree of freedom. The null hypothesis is therefore accepted.

**Hypothesis Two**

There is no significant difference in the mean responses of male and female operators of SMEs on the perceived influence of business education programme on national development on the basis of size of enterprise.

**Table 4: Summary of t-test Analysis of Male and Female Operators of SMEs Responses on the Influence of Business Education Programme on SMEs Growth**

| Group  | N  | Mean | STD  | Df  | t-Cal | t-Crit | P    | Remarks         |
|--------|----|------|------|-----|-------|--------|------|-----------------|
| Male   | 88 | 2.95 | 0.85 | 148 | 0.36  | 1.96   | 0.05 | Not significant |
| Female | 62 | 2.90 | 0.82 |     |       |        |      |                 |

Table 4 indicates that there is no significant difference in the mean ratings of male and female operators of SMEs on the influence of business education programme on national development in Edo and Delta States. The Table shown that t-calculated value of 0.36 is less than t-critical table value of 1.96 at 0.05 level of significance and 148 degree of freedom. The null hypothesis is therefore accepted.

**Discussion of Findings**

The main purpose of the study was to assess the impact of business education on SMEs growth and national development. The cross sectional data collected through questionnaire and interview from randomly selected respondents and analysed revealed that business education has a strong positive impact on SMEs growth and national development in Nigeria. The study found out that quality business education programme can play a vital role in growing SMEs and improving national development. The finding of the study is in line with Ijishar and Ayidiowu (2015), who found out that SMEs proffer solution to the lingering problems of poverty and unemployment while business education plays a vital role in national development in areas of employment generation, industrial development, entrepreneurship strategy and poverty reduction, promotion of the Nigeria economy, culture and value. In addition, the study of Opafunso and Adepoju (2014) is in consonance with the findings of the present study. The author asserted that there is a strong positive influence of business education programme on between SMEs and the improved standard of living of people.



### **Conclusion**

Business education has formed the basis for economic growth and national development. Business education is a programme that promotes and provides skill training for business creation and development. It is type of education, which has the ability to influence the growth of SMEs and national development through technical and vocational training given to its recipients. It equips the recipients and creates in them the mindset to undertake the risk of venturing into business enterprises by applying the knowledge and skills acquired during schooling to national development. Small and medium enterprises constitute the bedrock of every economy by providing the impetus for creating employment and value added activities. Thus, business education that formed the basis for SMEs growth and development is the bedrock of national development since its recipients can benefit from inbuilt knowledge and skills to be exposed to the world of business and the society.

### **Recommendations**

Based on the findings and conclusion of the study, the following are recommended:

1. Quality business education programme should be established at all levels of higher learning institutions in Nigeria in order to improve the skills and abilities of would-be small scale business owners and managers for national development.
2. Business education programme at all levels should support work-based learning as it serves as a basis for economic revival and a main stream activity to enable transformation to take place very fast in the society.
3. Government should properly and adequately fund business education programme through increase in the budgetary allocation to the levels of education for operational processes.
4. Government at all levels should throw in their weight fully in order to provide all the prerequisites that will enable business education programme realize all its objectives. This single act will have a consequent effect of developing manpower which in turn is indices for national development.



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