



BUSINESS INVENTORY MANAGEMENT COMPETENCIES REQUIRED OF BUSINESS EDUCATION GRADUATES FOR SUCCESSFUL ENTREPRENEURSHIP IN DELTA STATE

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Abstract

The study investigated business inventory management competences required of business education graduates in Delta State. Descriptive survey research design was adopted. The population of the study consisted of 420 managers of small and medium scale enterprises in the General Business Service sector operating in Delta State, and registered with the State Ministry of Commerce and Industry (Delta State Industry Directory, 2017). A researcher-developed questionnaire comprising 10 items was validated by experts in the field was used to collect data. Mean ratings and standard deviation were used to analyze data in order to answer the research questions and determine the closeness of the respondents' mean while Analysis of Variance (ANOVA) was used in testing the null hypotheses at 0.05 level of significance. Findings revealed that managers of small and medium scale enterprises opined that business education graduates require business inventory management competences for successful entrepreneurship. It was also revealed that years of business experience of the respondents did not significantly affect their mean ratings on their opinion on the business inventory competences required by business education graduates for successful entrepreneurship. Based on these findings, it was recommended among others that administrators of business and entrepreneurship education programmes should employ well qualified business and entrepreneurship educators who are knowledgeable about the current trends with business inventory management practices for successful business operations. It was also recommended that the administrators of business education programme should collaborate with owners of small and medium scale enterprises to organize internship programmes for business education students in the area of business resource management

Introduction

Business education is an aspect of educational programme offered at the higher institution of learning which prepares students for careers in business. The main aim of business education is to offer training to its recipients that will enable them to acquire adequate attitudes, concepts, knowledge, understanding and skills in business activities, for personal or vocational usage, and/or for careers as administrators, managers and teachers wherever they may find themselves in the business world (Chukwurah, 2007). In the same vein, Okoro (2013) defined business education as a broad and comprehensive discipline whose instructional programme encompasses knowledge, skills, vocation and aptitude needed by all citizens in order to effectively manage their personal businesses and also function in the economic system. According to Okolo (2014), through practical training graduates will be creative, innovative and business opportunity seekers that will transform opportunities and material resources into goods and services. Ojeifo (2012) also noted that this kind of training can bring about enterprising mind set which could generate models of wealth creation, thus, the need for entrepreneurship education. Entrepreneurship education in Nigeria amongst other things seeks to provide students in tertiary



institutions with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of ventures.

Entrepreneurship plays a vital role in economic development through the creation of utilities and generation of employment within a short period (Onyemah, 2011). Entrepreneurship is the capacity to harness the right quantity, quality and combination of resources that are consistent with profit making under risks and uncertainty. The contributions of entrepreneurship to the socio-economic development of a nation and to the entrepreneur himself coupled with modern day emphasis on private enterprises as the vehicle for healthy economic development has led to the upsurge of new or potential entrepreneurs. An entrepreneur in this sense is the originator of a new business and a new organization for that venture. In consonance, the Nigerian Institute of Management (2005) defined an entrepreneur as a person who perceives business opportunities and takes advantage of the scarce resources to use them. This means that an entrepreneur is a person who develops and owns an enterprise, a moderate risk taker who works under uncertainty for achieving the business goals. Entrepreneurs are goal oriented persons who seek for investment opportunities in the immediate environment. Therefore, the process, abilities and willingness of an individual to seek out investment opportunities in his environment and be able to establish and run an identified business opportunity is entrepreneurship.

Today most business education wants to establish a business enterprise. Some who are already in this area of self employment are experiencing business failures. Success in this area of self employment is dependent upon the nature of entrepreneurial competencies the person is in tune with. Olagunju in Okeke-Ezeanyanwu (2015) stressed that many people lack the necessary technical and managerial competencies to manage an enterprise successfully. For one to succeed as an entrepreneur, requires the acquisition of competencies that will enable him run a small and medium scale enterprise (SME).

The management structure and independence of small and medium scale enterprises (SMEs) put the entrepreneur in the most critical position is running of the enterprises. In most cases, the operational and administrative management of SMEs are in the hands of one or two person usually the owner(s) manager(s) who are also responsible for making the major decision of the enterprise. Therefore the success and failure of the business depend largely on the competence of the entrepreneur. SMEs have gained recognition in the field of management because of their strategic role in promoting a nation's economy in terms of reducing poverty by providing employment opportunities. Their contribution to the growth and development of any economy is undeniable in both the developed and developing countries. The significant role played by SMEs can be attributed to the level of their innovativeness and flexibility. But then their ability to innovate depends to a large extent on the competence of management, their size and the availability of resources (Adobi, 2012; Hamilton, 2009). It therefore portends that for a business education graduate to be a successful entrepreneur; there is need for them to possess the necessary competences in managing the business inventory of the business for business growth.

Competence according to Rahman (2012) means a skill and standard of performance whilst competency refers to behaviour by which it was achieved.



Competence describes what people do, while competency describes how people do it. Furthermore, competences are viewed as essential knowledge and skills obtainable in a profession and those which the professionals in the field must possess in order to demonstrate at optimal level of acquisition and functioning. Thus, the business inventory and facility management competences possessed by an entrepreneur is important for successful entrepreneurship.

Business inventory is another important resource in a business organization. Business inventory can also be called stock. According to Breuer (2009), inventory includes all types of stocks. For effective working capital management, inventory needs to be managed effectively. Agara (2005) defined inventory (stock) as the physical units of goods that a business trades on or manufactures for sale. For effective management of inventory, the level of inventory should be such that the total cost of ordering and holding inventory is the least.

However, it appears that years of experience of SMEs managers could influence their level of competence on their utilization of business inventory and facility management competences in the management of organization. It is believed that ninety percent (90%) of business failures are associated with management inadequacy, which consists of either management inexperience or incompetence (Perry & Pendleton in Mugo, 2012). Mugo further observed that many SMEs owners or managers lack managerial training and experience. It is against this background that it becomes imperative that the opinions of small and medium scale managers who are engaged in daily management of business inventory and maintenance of business facilities are elicited to determine the business inventory management competences required by business education graduates for successful entrepreneurship in Delta State.

Statement of the Problem

Despite the introduction of entrepreneurial education in tertiary institutions in Nigeria, it appears that most graduates still do not possess the relevant skills (especially business inventory management for success in entrepreneurship. This indicated that the purpose of institutionalizing entrepreneurship education in the country's education system is far from being achieved. It seems that most of the business education graduates can hardly succeed in business on sustainable basis due to the challenges facing them. The report of Central Bank of Nigeria (2004) high rate of business failure among young entrepreneurs across the country, south-south Nigeria inclusive and Delta State in Particular. This failure is evident in the inability of these graduates to effectively management the resources present in the business.

Therefore, the problem of the study is that business education graduates have failed to engage in successful entrepreneurial venture and this has resulted to high business failures. It is against this background that the study sought to determine business inventory management competences required of business education graduates for successful entrepreneurship in Delta State.

Theoretical Underpinning

This study is strengthened by the psychology theory which was propounded by David McClelland in 1961. The theory dealt with entrepreneur's characteristics and



entrepreneurial process. The theory states that the entrepreneurial ability of an individual is determined by his/her levels of need for achievement, autonomy and problem solving. The theorist assumption is the higher the needs for achievement, autonomy and problem solving, the higher will be the entrepreneurial ability and vice versa.

In the psychological theory, motives and personality traits play a significant role in determining the entrepreneurial ability of an individual. Personality traits are the stable qualities that a person shows in most situations. To the trait theorists there are enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. Personality traits mean making inference from behaviour. Some of the characteristics or behaviours associated with entrepreneurs are that they tend to be more opportunity driven (they nose around), demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic, emotionally resilient and have mental energy, they are hard workers, show intense commitment and perseverance, thrive on competitive desire to excel and win, tend to be dissatisfied with the status quo and desire improvement, entrepreneurs are also transformational in nature, who are lifelong learners and use failure as a tool and springboard and so on.

This theory is related to the present study as it emphasized the role played by the personality traits and motives in developing entrepreneurial competences in business education students for success in entrepreneurship. The characteristics give a clue or an understanding of these traits or inborn potentials. The identification such characteristics as perseverance, inner locus of control, flexibility to change, creativity and innovation, persuasiveness and so on will enable the small and medium scale entrepreneurs to effectively harness business inventories to ensure growth of their start-ups.

Purpose of the Study

The main purpose of this study is to determine business inventory management competencies required of business education graduates for successful entrepreneurship in Delta State.

Research Question

What are the business inventory management competences required of business education graduates for successful entrepreneurship?

Hypotheses

There is no significant difference in the mean ratings of small and medium scale managers' in Delta State on the business inventory management competences required of business education graduates for successful entrepreneurship based on years of experience.



Method

The study was a descriptive survey. The population of the study consisted of 420 managers of small and medium scale enterprises in the General Business Service sector operating in Delta State, and registered with the Ministry of Commerce and Industry (Delta State Industry Directory, 2017).Data were collected with a structured questionnaire on a five point response categories of SA (Strongly Required), R (Required), MR (Moderate Required), Not Required (NR) and Strongly Not Required (SNR). To establish the reliability of the instrument, it was administered on 10 owners of registered small and medium scale enterprises in Anambra State who were not included in the population of the study. The Cronbach Alpha reliability method on the obtained data yielded a score of 0.85 for internal consistency which was deemed high for the study. The researcher administered copies of the instrument personally and with the aid of three research assistants. Out of the 420 copies of the questionnaire administered, 338 copies were returned.

The data collected from the respondents were analyzed using descriptive statistics such as mean and standard deviation. The mean value was used to answer the research questions while the standard deviation was used to ascertain the homogeneity or otherwise of the respondents’ ratings. ANOVA was used to test the null hypotheses at 0.05 level of significance. The following boundary limits were used to determine the extent of adoption:

Strongly Required	4.50-5.00
Required	3.50-4.49
Moderate Required	2.50-3.49
Not Required	1.50-2.49
Strongly Not Required	0.50-1.49

For the hypotheses, where the calculated f value is less than the critical value of f, it means that the variable does not significantly affect respondents’ mean ratings and the hypothesis was accepted. Conversely, where the calculated f value is equal to or greater than the critical f value, it means that the variable has a significant effect on the respondents’ mean ratings and the hypothesis was not accepted.

Result - Research Question

What are the business inventory management competences required of business education graduates for successful entrepreneurship?

Table 1: Respondents mean ratings on business inventory competences required of business education graduates for successful entrepreneurship in Delta State

S/NO	Business inventory management competences	X	SD	Remarks
1.	Ability to identify the stock needed by the business enterprise	3.58	0.87	Required
2.	Ability to secure stock through provision of storage facilities.	3.53	0.78	Required
3.	Ability to identify inventory (stock) suppliers based on quality and price.	4.01	1.03	Strongly Required
4.	Ability to utilize the best inventory (stock)	3.70	0.77	Required



	conveyance method to reduce cost, breakage and spoilage.			
5.	Ability to install efficient internal control system for requisition of inventory and issue of stock.	3.05	0.59	Moderately Required
6.	Ability to install proper documentation on the issuance and usage of inventory (stock).	3.66	0.92	Required
7.	Ability to maintain an inventory (stock) level to reduce the effect of fluctuation in prices due to changes in demand and supply forces.	4.25	1.11	Strongly Required
8.	Ability to reduce excessive inventory (stock) to avoid obsolescence of inventories.	3.67	0.97	Required
9.	Ability to monitor of stock based on minimum, maximum and re-order stock levels.	3.53	0.78	Required
10.	Ability to place inventory (stock) order at the right time and price to maximize profit.	3.56	0.86	Required
Cluster Mean		3.65	0.87	Agree

Data in Table 1 show that the respondents rated items 3 and 7 as strongly required with mean ratings of 4.01 and 4.25 and standard deviation of 1.03 and 1.11 respectively. They also rated items 1, 2, 4, 6, 8, 9 and 10 with mean ratings of 3.58, 3.53, 3.70, 3.66, 3.67, 3.53 and 3.56 and standard deviation of 0.87, 0.78, 0.77, 0.92, 0.97, 0.78 and 0.86 respectively. The respondents rated item 5 moderately required with mean rating and standard deviation of 3.05 and 0.59 respectively. The cluster mean of 3.65 and standard deviation of 0.87 indicates that the respondents opined that business education graduates require business inventory competencies for successful entrepreneurship in Delta State. The standard deviation of the items range from 0.59 to 1.11 which showed that the respondents were not very far apart in their opinion.

Hypotheses

There is no significant difference in the mean ratings of small and medium scale managers' in Delta State on the business inventory management competences required of business education graduates for successful entrepreneurship based on years of experience.

Table 2: ANOVA summary of respondents mean ratings on business inventory management competences required by business education graduates for successful entrepreneurship based on years of experience

Source of Variance	Sum of Squares	df	Mean Square	F-cal	Sig.
Between groups	1204.93	2	602.47		
Within groups	14584.4	12	1215.370	503.89	
Total	15789.33	14	1817.84		

The information in Table 2 indicates that the calculated F-value of 0.50 is less than the F- critical value of 3.89. This means that that there is no significant difference in the mean ratings of managers of small scale enterprises in Delta State on the business inventory competences required by business education graduates for



successful entrepreneurship based on years of experience. Therefore, the hypothesis was accepted.

Discussion and Implications of the Study

The findings of this study revealed that managers of small scale enterprises in Delta State opined that business education graduates require business inventory management competences for successful entrepreneurship in Delta State. This finding is in line with Okolo (2014). Who reported that business inventory management competences are important competences which are attributed to successful entrepreneurs. According to Pandey (2009), effective inventory management will maintain adequate material control in firms. Pandey equally opined that the aim of inventory management in small and medium scale enterprise should be to avoid excessive and inadequate level of inventories and to maintain sufficient inventory for the smooth production and sales operations. SMEs should make efforts to place an order at the right time with the right source; to acquire the right quantity at the right price through efficient stocking. Therefore, since inventory comprises a very large part of small and medium scale enterprises working capital, it is very important that it should be managed effectively.

It was further revealed that significant difference did not exist in the mean ratings of managers of small scale enterprises in Delta State on the business inventory competences required by business education graduates for successful entrepreneurship based on their years of experience. This is in agreement with Iliya (2012) who revealed that years of experience did not influence respondents rating of entrepreneurial competencies required by technical college refrigeration and air conditioning graduates.

The findings of the study have far reaching implications for business education graduates that knowledge of business inventory management competences would ensure efficient management process and successful entrepreneurship. The findings of the study also have implication for curriculum planners in entrepreneurship studies and business education on the integration of inventory management competences to adequately empower the graduates to succeed in business enterprises.

Recommendations

Based on the findings of this study, the researchers proffer the following recommendations:

1. The administrators of business and entrepreneurship education programmes should employ well qualified business and entrepreneurship educators who are knowledgeable about the current trends with business inventory management practices for successful business operations.
2. The administrators of business education programme should collaborate with owners of small and medium scale enterprises to organize internship programmes for business education students in the area of business resource management.
3. Government in conjunction with professional bodies like the Association of Business Educators of Nigeria (ABEN) and National Association of Small and



Medium Entrepreneurs (NASME) should organize conference, seminars and workshops that will expose their members to current best practices in the management of business inventory for business growth and sustainanace.

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