
PERCEPTION OF BUSINESS EDUCATION STUDENTS ON SMALL AND MEDIUM SCALE ENTERPRISES AS A TOOL FOR REDUCING GRADUATES' UNEMPLOYMENT

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Abstract

The study focused on business education students' perception of small and medium scale enterprises (SMSEs) in solving graduate unemployment problems. Four research questions guided the study. The descriptive survey design was adopted for the study. The population of the study was 268 business education students (300 and 400 levels) of 2018/2019 academic session of the Department of Vocational and Technical Education (VTE), Faculty of Education, University of Benin, Benin City with a sample size of 134 drawn using proportionate sampling techniques. The instrument for data collection was a validated questionnaire with a reliability coefficient of 0.76. The research questions were analyzed using mean and standard deviation. Findings, among others, revealed that SMSEs is a tool for solving graduates unemployment problem and that there are some factors preventing graduates from embarking on SMSEs as a career after graduation. Against this background, it was recommended that government should among others, enlighten graduates of the importance of entrepreneurship for self-employment through seminars and symposia, and also offer an interest-free loan to unemployed youths for the start-up of SMEs.

Keywords: SMSEs, Unemployment, Business education.

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One of the severe and persistent socio-economic problems facing Nigeria presently is unemployment. Thus, unemployment rates have been a growing problem in Nigeria for years. National Bureau of Statistics (NBS) (2018) reported that 23.1% of people who are of working age were unemployed. NBS further stated that in 2019, it was 24%, and currently, it is 33.3%. This represents 23.2 million people of about 70 million people who are eligible to work in Nigeria. Adebayo (2013) posited that such problems bedevilling the country include graduate unemployment, which has serious implications on national development. Unemployment given Dike (2010) is a situation in which the segments of the labour force who are willing to work at the prevailing wage rate are unable to find employment. The World Bank in Egbri and Nwadiani (2011) described the unemployed as a member of an economically active population, who are without work but available for and seeking work, and those who have voluntarily left work. Thus, unemployment in the context of this study is referred to the working-age of the society who have acquired certain levels of knowledge and skills from one training institution or the other but are still jobless and are actively seeking employment.

It is pertinent that every year, a large number of graduates are produced by the ever populated universities in Nigeria without corresponding industries for job placement. In addition to the existing universities, many new private and public ones are also being established and approved by the Nigerian government in recent times for the training of the teeming youths of the country but after graduation, they are virtually jobless. Ajufu (2013) noted that unemployment is becoming an increasingly troublesome issue in many parts of the world, which includes Nigeria. The enormity of this can best be imagined from the immensity of unemployed graduates/youths loitering the streets of Nigerian cities and environs at present. The unemployment situation in Nigeria presently is disturbing and even more disheartening that the country's economic condition cannot absorb an optimal proportion of its labour force (Ezie (2012).

Indeed, the situation is frustrating and worrisome as this has resulted in the deaths of many Nigerian youths some of whom have died in the Sahara Desert, Mediterranean Sea and other African countries such as Libya, in a bid to search for greener pastures through illegal migration. According to "Missing Migrants Project" (2017), in 2016 there were approximately 8,000 migrant deaths, with about 63% of deaths occurring within the Mediterranean Sea. Nieves (2002) noted that the illegal immigrant death rate rises sharply in Barren Areas. This has ultimately brought anguish and distress to many families who have lost their beloved ones, children and wards in the Desert and the Mediterranean Sea. Similarly, the ugly effect of unemployment can also be traceable to the recent experience in Nigeria where millions of people scampered for a limited number of job vacancies, about 4,500 advertised by the Nigeria Immigration Service which led to the death of about eighteen Nigerian youths/graduates in an unwarranted stampede (Asogwa& Dim, 2016).

Additionally, some other unemployment attendant consequences include escalation of crime rate, reduction in investment, increase independent rate, the threat of peace and migration (Anyade 2003). The unemployment effect can also be identified with the prevailing poverty, stealing, advanced fee fraud (419), prostitution, armed robbery, hired assassins, kidnapping and hostage-taking, drug and child trafficking, incidents of rape, cultism, ritual killing, and drug addiction, among others. This is in line with the common saying that the 'idle mind is the devil's workshop'. The effect of unemployment in any society is divergent, especially on the country's economy.

The youths who are supposed to work and earn income for a living are still depending on the old people thereby reducing the Gross Domestic Product (GDP) of the country. Invariably, this has serious adverse implications on the country's economic growth. However, the problem of unemployment and its negative attendant consequences among the Nigerian youths could be brought to its barest minimum if the unemployed youths/graduates are engaged in Small and Medium Scale Enterprises. From the foregoing, one may tend to ask: What is SMSE? What is the view of students on SMSEs in Nigeria?

Small and Medium Scale Enterprises (SMSEs) can be regarded as means or engines through which economic growth and rational, credible and virile development in any developing economy is attained which could lead to a reduction in the unemployment problem. Such businesses are relatively small in size, highly personalized and controlled by the owner(s) who are seen as the bosses of the business who personally

source for capital to finance the growth of the business and as well as enjoy the profits from the proceeds of the business. The Enterprises Promotion Decree of 1989 as amended in 1995 defined Small Scale business as any enterprise set up to make the owner self-employed and self-reliant. SMSEs are capable of helping the youths to create most of the numerous new jobs, the world needs now, especially in Nigeria because of the virtue of their number, diversity, penetration in all sectors of production thereby contributing to employment and to the prosperity of individuals as well as the environment where they operate.

Thus, SMSEs are perceived as the key to economic growth because they constitute a larger percentage of businesses that exist in a given society. SMSEs are also capable of boosting the Gross Domestic Product (GDP) of a country whereby individuals can have enough for living rather than being dependent, thereby, alleviating poverty and improving in the standard of living of the citizenry. The role of SMSEs' in this regard cannot be overemphasized as it is a major key player in the economic affairs of any developing nation, such as Nigeria. As stated by Arewa (2006), small scale business enterprises have dominated the industrial sector of both developed and underdeveloped countries and are known to be the major employers of labour.

The presence of SMSEs owners or entrepreneurs who have acquired some skills of entrepreneurship during training will no doubt be an added advantage in creating employment opportunities for unemployed graduates/youths. Despite the benefits of SMSEs, there are still varieties of youths or graduates' vices in Nigeria.

Business Education is an aspect of Vocational and Technical Education, a specialized programme of instruction designed to provide individuals with knowledge, skills and attitudes leading to the employability of advancement in office occupations as well as teaching business subjects. It also involves teaching students the fundamentals, theories, and processes of business. On his part, Esene (2012) enumerated the following as the objectives of business education at all levels of education

To provide an opportunity for practice job preparation or vocation studies for students to make them render effective and efficient services in office, distributive and service occupations.

To prepare students, based on interests and aptitudes with the skills, knowledge and attitudes needed to enter into a business occupation, advance and profit in it.

To provide opportunities for students to develop an understanding of the business and economic system of the nation to enable them to participate actively as producers and consumers of goods and services.

To develop in students the basic awareness of the contribution which business and office employees make to the nation's economy.

To develop and improve the personal qualities and attitudes of students as required in personal and employment situations.

To serve as a guide for individual students for suitable placement in business and office employment.

To enable students, have career consciousness and economic understanding of the free enterprise system.

To prepare students for a leadership position in both public and private lives.

In other words, Business Education is a multi-purpose discipline and all-embracing. It is expected that when a business education programme meets the foregoing objectives, its trainees will, no doubt, stand the chance of acquiring entrepreneurial skills that would make them self-reliant and stand among unemployed youths/graduates. Unfortunately today, there seem to be several challenges facing Nigerian youths from embarking on SMSEs after graduation (business education graduates inclusive). Forgel (1994) posited that the entrepreneurial environment is unfriendly and unfavourable for entrepreneurial success. The author described the entrepreneurial environment as the overall economic, socio-cultural and political factors that influence people's willingness and ability to undertake entrepreneurial activities.

Steve (2002) asserted that the biggest challenge by far is the paradigm shift from the 'employee' mindset to that of the 'entrepreneur' mindset. Business education graduates in this regard need to have a rethink of the current economy in the country since the traditional graduates with high interest in structured employment seem to find it difficult to develop a positive attitude towards entrepreneurship. These challenges could include economic factors such as lack of initial capital for establishing SMSEs, lack of credit facilities, lack of government support, inadequate acquisition of entrepreneurship knowledge and skills during students' training due to inadequate infrastructure and unfavourable tax policies.

Others are lack of awareness of the importance of SMSEs for national development among others. In line with this, the World Bank's 'Doing Business 2008' Report rated Nigeria low (Nigeria was ranked 108 among the 178) economies. The report was said to find many sub-Saharan countries like Mauritius, Botswana, Ethiopia, Ghana, Kenya and South Africa more business-friendly than Nigeria. Thus, the challenges that tend to militate against the youths from embarking on SMSEs also call for an investigation.

Statement of the Problem

Unemployment in Nigeria today is like a canker-worm that has eaten deep into the Nation economy. It has not only affected the youths but also the economic development of the country from a broad spectrum of socio-economic perspectives (Asogwa& Dim, 2016). Every year, a large number of youths/graduates are produced from our tertiary institutions but there are no job opportunities for the majority of them. This can best be imagined by the immensity of unemployed graduates that are loitering the streets of Nigerian cities and environs, consequently causing an increase in crime rates, deaths, poverty, prostitution, frustration, illegal immigration and a lot of others. Indeed, unemployment has become a major problem tormenting Nigeria for some time now.

Many Nigerian youths have died in the Mediterranean Sea and others being killed in some African countries in search of greener pasture. The ugly circumstances have undoubtedly brought pains, agony, distress and frustration to many parents and other family members who are supposed to be enjoying the prosperousness of their children and wards after graduation. The most worrisome about the persistent unemployment problem in Nigeria today is that majority of the Nigerian graduates who have acquired certain skills during their training programme such as business education students

seem not to be interested in becoming self-reliant, while many are seeking white-collar jobs which are relatively not available. Others seem to lack the resources or the spirit of entrepreneurial culture among many university graduates. The question is whether Nigerian unemployed graduates/youths perceive the role of SMSE in solving graduates unemployment problem? The foregoing therefore formed the researchers' urge for embarking on this study.

Purpose of the Study

The main purpose of this study is to find out the role of Small and Medium Scale Enterprises (SMSEs) in solving business education graduates unemployment. Specifically, the study seeks to:

Determine the role of SMSEs as a tool for solving graduates' unemployment problems.

Ascertain the perceived factors that could militate against business education graduates from embarking on SMSEs as a career after graduation.

Examine the perceived challenges of Business Education unemployed graduates that could prevent them from embarking on SMSEs.

Ascertain the perceived strategies to be employed for embarking on SMSEs by Nigerian graduates.

Research Questions

The study is guided by the following research questions raised:

What is the role of SMSEs as a tool for solving graduates' unemployment problem?

What are the factors that could militate business education graduates from embarking on SMSEs as a career after graduation?

What are the challenges of unemployed graduates for embarking on SMSEs?

What are the strategies for embarking on SMSEs by Nigerian unemployed graduates?

Methodology

A descriptive survey research design was adopted for the study. The study was carried out using business education students (300 and 400 levels) of the 2018/2019 academic session in the Department of Vocational and Technical Education, Faculty of Education, University of Benin, Benin City. The reason for the choice of 300 and 400 levels is that students have been exposed to business education courses including entrepreneurship education. The population for the study comprised 268 made up of 126, 300 level and 142, 400 level Business Education students. The sample size was 134 drawn from the population using a proportionate sampling technique. The instrument for data collection was a structured questionnaire titled Perception of Business Education Small and Medium Enterprises Questionnaire (PBESMEQ) was divided into two parts – A and B. Part A elicited information on the respondents' data, while part B was used to collect data for the research questions. The research instrument was validated by three experts. Cronbach alpha formula was used to ascertain the internal consistency of the questionnaire and a reliability coefficient of 0.77 was obtained. The data for this study were collected by the researchers with the help of one research assistant from the University. Mean and standard deviation were

the statistical tools employed for the analysis of data collected. The research questions were answered using a 4 point rating scale of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). The mean rating of 2.50 was used for decision points such that any item less than 2.50 is regarded as Disagree while the mean rating equals or above 2.50 is regarded as Agree. Concerning the standard deviation, any item with its value of standard deviation less than 1.96 from the mean value was considered a very good response and highly clustered around the mean.

Results

Research Question One: What is the role of SMSEs as a tool for solving business education graduates unemployment problem?

Table 1: Mean ratings of the role of SMSEs.

S/N	Item statements	Mean	SD	Remarks
1	SMSEs can create job opportunities for unemployed graduates in absence of structural employment	2.76	1.21	Agree
2	SMSEs provide means for livelihood and enhance individual economic status instead of waiting indefinitely for invariably unavailable white-collar jobs.	3.88	.365	Agree
3	SMSEs venture brings about diversification in any economy which will, in turn, helps to develop an individual and the society at large.	3.82	.392	Agree
4	Adequate perception of SMSEs will greatly impact an individual's passion for entrepreneurial ventures.	3.79	.460	Agree
5	SMSEs help to curb unemployment and alleviate poverty for economic growth and development of individuals and the entire nation	3.84	.422	Agree
	Grand Mean	3.57	2.52	Agree

Source: Researchers' fieldwork (2020)

The data presented in Table 1 above, in response to research question one revealed that SMSEs are capable of creating job opportunities for unemployed business education graduates with a grand mean of 3.57.

Research Question Two: What are the factors that could militate against graduates for embarking on SMSEs as a career after graduation?

Table 2: Mean ratings and standard deviation of factors that could militate against graduates for embarking on SMSEs as a career after graduation.

S/N	Items	Mean	SD	Remarks
6	Graduates' or individuals' preference for white-collar jobs over self-employment.	3.71	.532	Agree
7	The preference of people to be identified with reputable organizations such as NNPC or Banks, etc.	3.44	.655	Agree
8	Parents' preference of their children working in important and recognized places, cities and even travelling abroad.	3.46	.711	Agree
9	People's preference is to always be seen as a government official who belongs to the working-class group in the society.	3.45	.633	Agree
10	Desires of individuals to be looked up to and addressed as highly placed office holders in an organization or government establishment e.g. Managing Director, Chief Accountant, Professor, Permanent Secretary etc.	3.39	.575	Agree
	Grand Mean	3.49	.621	Agree

Source: Researchers' fieldwork (2020)

The data in table 2, revealed that graduates have a preference for white-collar jobs over self-employment. The overall mean of 3.49 and a standard deviation of each of the items as well as the overall standard deviation of .621 showed that all the business education students have a similar perception that all the factors identified in this study militate against the unemployed graduates from embarking on SMSEs as a career after graduation among others.

Research Question Three: What are the challenges of unemployed business education graduates for embarking on SMSEs?

Table 3: Mean ratings and standard deviation of the challenges of unemployed business education graduates for embarking on SMSEs.

S/N	Items	Mean	SD	Remarks
11	Inadequate acquisition of entrepreneurship knowledge and skills during university programmes pose a challenge to Business Education graduates becoming self-employed.	3.25	.799	Agree
12	The problem of initial capital for establishing a small and medium enterprise.	3.28	.819	Agree
13	Lack of enterprise skills among Business Education graduates.	3.40	.796	Agree
14	Inadequate infrastructure in teaching entrepreneurship in higher institutions constitutes a challenge to acquiring the competent skills for SMSEs.	3.14	.951	Agree
15	The shortage of competent and knowledgeable Business Educators in the field to impart on students' entrepreneurship skills stand as a barrier to graduates' unemployment.	2.96	.949	Agree
	Grand Mean	3.21	.862	Agree

Source: Researchers' fieldwork (2020)

The data presented in Table 3 shows that the overall mean of 3.21 and the mean of each of the items respectively that business education students perceive all the items on the table as challenges militating against unemployed graduates from embarking on SMSEs as a career after graduation which includes the acquisition of inadequate entrepreneurship knowledge and skills during training, the problem of initial capital among others.

The standard deviation of each of the items ranging from .796 to .951 as well as the overall standard deviation of .862 respectively indicates that all the items cluster around the mean.

Research Question Four: What are the strategies for embarking on SMSEs?

Table 3: Mean ratings and standard deviation of the strategies for embarking on SMSEs.

S/N	Items	Mean	SD	Remarks
16	Financial institutions, NGOs and private sector organizations should offer free entrepreneurship training to students.	3.32	.864	Agree
17	Strengthening academic programs through adequate facilities and practical training in skills by competent educators.	3.66	.561	Agree
18	Government provision of a loan with little per cent interest rates to graduates will enhance the establishment of and medium scale enterprise among graduates.	3.61	.533	Agree
19	Provision of adequate infrastructure and resuscitating moribund entrepreneurship programs.	3.56	.582	Agree
20	Creation of school-based enterprises where students can identify potential businesses.	3.59	.551	Agree
	Grand Mean	3.55	.618	Agree

Source: Researchers' fieldwork (2020)

Table 4 shows the mean responses of the strategies that could enable unemployed graduates to embark on SMSEs. The mean values of all the items ranging from 3.32 to 3.66 indicate that Business education students perceive all the items as strategies for embarking on SMSEs among unemployed graduates. The standard deviation of each of the items ranged from .533 - .864 as well as the overall standard deviation of .618 cluster around the mean. The Overall mean of 3.55 indicated that the students agree that all the items are perceived as strategies for embarking on SMEs.

Discussion of Findings

The findings of research question one revealed that business education students perceived SMSEs as a tool for solving the graduate unemployment problem. If the Nigerian youths embark on SMSEs, unemployment in Nigeria will no doubt be brought to the barest minimum. These findings is in line with that of Onugu (2005) who asserted that many other countries have been able to strengthen and transform entrepreneurship sub-sectors to such a vibrant and exciting industry such that they have been able to reduce considerably their unemployment and poverty level because of the enormous contribution of the sub-sector of their economic growth and development. In the same vein, "The Enterprise promotion Decree of 1989" as amended in 1994 described a small scale business as an enterprise set up to make the owner self-employed and self-reliant.

The findings of research question two also revealed some perceived factors that could be preventing unemployed graduates from embarking on SMSEs as a career after graduation. Such factors include graduates' preference for white-collar jobs, preference of people to be identified with reputable organizations, parents' preference of their children working in recognized places, cities and even travelling abroad, among others. If Nigerian youths should have a rethink and direct their minds towards entrepreneurial spirit and culture, many Nigerian graduates will become self-reliant and the country will move forward economically. This is in agreement with Adejumo (2000), who opined that entrepreneurial development is capable of making positive impacts on the economy of any nation and the quality of life of the people.

The study equally revealed in research question three the fact that many challenges prevent the youths from embarking on SMSEs start-up in Nigeria. If Nigerian youths do not encounter challenges such as the problem of start-up capital, lack of entrepreneurial skills that would enable them to embark on SMSEs, inadequate acquisition of entrepreneurial knowledge and skills, they will have the zeal to go into entrepreneurship. This aligns with the observation of Fogel (1994) who stated that the entrepreneurial environment is unfriendly and unfavourable for entrepreneurial success. Fogel defined entrepreneurial environment as the overall economy, socio-cultural and political factors that influence people's willingness and ability to undertake entrepreneurial activities.

Finally, the study revealed from research question four that the respondents' perception of the strategies that could encourage unemployed graduates for embarking on SMSEs in Nigeria. These strategies include government provision of interest-free loans to graduates and the offer of free entrepreneurship training to students among others. If these strategies are put in place, they will go a long way to encouraging unemployed Nigerian youths/graduates for embarking on SMSEs. The finding corresponds with the view of Anyakoha (2014) who emphasized that SMSEs in Nigeria could be enhanced through the creation of educational and skill acquisition training programs for students to gain knowledge and skills capable of spurring them to start-up and successfully manage enterprises of their own.

Conclusion

It may be rightly concluded based on the data elicited from the respondents that small and medium scale enterprises are a tool for employment creation, provide means for livelihood (income) in the absence of structured employment and possibly contribute greatly to the economic development of individuals and the nation at large through self-reliance, revenue generation and poverty alleviation. The study also observed that some factors such as graduates' preference for white-collar jobs, preference to be identified with reputable organizations, parents' preference of their children working in recognized places, cities and even travelling abroad, among others prevent unemployed graduates from embarking on SMSEs as a career after graduation. Financial constraints, stringent conditions to borrowing include factors that are seriously militating against business education graduates into SMSEs in Nigeria. From the nature of these observations, certain strategies by the government in form of incentives will go a long to neutralize the impediments and enhance unemployed graduates venture into SMSEs.

Recommendations

Based on the findings, the following recommendations are made:

Government should embark on an enlightenment campaign and provide information to youths/graduates on the importance of entrepreneurship for self-employment and employers of labour instead of indefinite waiting for white-collar jobs after graduation.

Government should offer an interest-free loan to unemployed graduates for the start-up of SMSEs.

Students, particularly business education students should be given adequate training in entrepreneurship during their programme to enable them to acquire adequate knowledge and skills that would equip them to succeed in SMSEs after graduation.

Government, NGOs and private sector organizations should offer free entrepreneurship training to unemployed graduates/youths from time to time to enable them to set up their SMSEs.

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