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Entrepreneurial Competencies: The Missing Links to Successful Entrepreneurship in Nigeria

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Abstract

The strategic role of the entrepreneur as an agent of economic transformation in society is visible in employment and wealth generation, stimulation of indigenous entrepreneurship or promotion of entrepreneurial culture. The Nigerian government has accordingly created the enabling environment to nurture entrepreneurial development, through the establishment of various agencies to provide financial resources to small and medium scale enterprise operators or entrepreneurs. Despite the provision of financial resources to these entrepreneurs, there is still a high rate of entrepreneurial failure. The paper advocated a shift in paradigm in re-thinking entrepreneurial failure in the country. The missing links to successful entrepreneurship were identified to be entrepreneurial competencies, defined as the cluster of related knowledge, attitudes, and skills which an entrepreneur must acquire or possess to enable him produce outstanding performance and maximize profit in the business. These entrepreneurial competencies were the critical success factors to entrepreneurship, and they deserve serious consideration in entrepreneurial discourse and not to be neglected.

Keywords: Entrepreneurial competencies, Entrepreneur, Entrepreneurship, Intrapreneur, Entrepreneurial opportunities, Nigeria

1. Introduction

All known human societies have always created the veritable conditions for the existence of entrepreneurs. The entrepreneurs in turn exploit the available opportunities in the society or their environmental domain, to create or develop new products or services, thus adding value to society while equally maximizing benefits or profits. The impact of the activities of the entrepreneurs or small and medium enterprises (SME) on the socio-politico-economic life of Nigeria is quite obvious. In Nigeria, the small and medium enterprises sub-sector has been expanding, especially since the mid-1980s, following the prolonged recession in the economy which forced many large enterprises to lay off large proportion of their work-force. The sector accounts for 70 percent of industrial employment (World Bank, 1995). Also the agricultural sector, which largely consists of SMEs, employs over 60 percent of the nation work-force (Salami, 2003). It is in recognition of the strategic role of the entrepreneurs in national development, that the federal, states, local governments, and even some corporate institutions are continuously creating the enabling environment to enhance entrepreneurship. For example, the federal government's active encouragement and policy thrust to entrepreneurship and small scale business development could be seen from the establishment of:

1.1 Small and Medium Enterprises Equity Investment Scheme (SMEEIS).

The Central Bank of Nigeria (CBN) established this on 19th June 2001 to liberalize access to funds through all the commercial banks. The SMEEIS, in addition to providing finance, also requires banks to identify and package viable industries with Nigerian entrepreneurs. It is the most ambitious effort ever in the economy to provide a ready pool of money for small and medium enterprises funding using 10 per cent of bank profit before tax. From inception on 19th June 2001 to 30th September 2003, a total of 83 banks had set aside the sum of N20.66 billion under the scheme, and within the same period, a cumulative sum of N4.90 billion had been invested in 107 projects by 44 banks (Anyanwu, Adebusuyi and Okafor, 2003). As at December 2007, the sum of N42.02 billion had been set aside by the deposit money banks and N21.72 billion was invested in 523 projects in different parts of the country (CBN, 2008). This is a huge amount of money going by the current exchange rate of US$1 equivalent toN120 (Ngerian Naira)

1.2 Bank of Industry (BOI)

This is established to provide long and short term funding with generous interest rates to small and medium business operators.

1.3 Microfinance Banks

These recently replaced the former Community Banks, and are to provide sustainable funding for small and medium enterprises.

1.4 Nigerian Agricultural and Rural Development Bank

This development finance bank now houses the former Peoples Bank, which is being restructured to provide small scale funding and guarantees in the rural setting. It is to provide funds for rural agricultural entrepreneurship.

1.5 Small and Medium Enterprises Agency of Nigeria (SMEDAN).

This is a Federal government funded agency established in 2003 that overseas the affairs of small and medium enterprises in Nigeria. While SMEDAN does not provide funds to business operators, it does assist them in preparing good business plans and to gain easy access to funding. It provides support and information services.

1.6 Corporate Institution Initiative

Here corporate bodies like Shell, Nigeria Liquefied Natural Gas Limited and other oil companies are providing funding to small and medium enterprises. This is part of their corporate social responsibility to the host communities.

1.7 Enterprise Development Services (EDS)

This is a unit in the Lagos Business School of Pan African University. It provides the desired capacity and training opportunities targeted to specialized areas of production or service development. This makes significant contribution to entrepreneurial development.

1.8 Niger Delta Development Commission Skills Acquisition Centers Programme

Established by the Niger Delta Development Commission (NDDC) in 2004 to train youths in skills acquisition around the Niger Delta Region. This is concerned with building the capacity of various technical and productive centres in order to enable them absorb and train youths in their areas of operation.

Entrepreneurship is not an easy vocation, and it does not always guarantee a hundred percent success. There are several critical success factors that must be put in place to enable the entrepreneur achieve a measure of success. Most current entrepreneurial literatures tend to unequivocally argue that most entrepreneurial failures or small scale business failures are due essentially to inadequacy of financial resources. Such research outcomes have no doubt influenced the government policies of providing more financial resources and financial agencies to enhance entrepreneurial development. This has led the sustained negligence in considering other equally important variables that do contribute to successful entrepreneurship in Nigeria. These other factors are the entrepreneurial competencies.

This paper therefore argues for a paradigm shift in re-thinking entrepreneurial development in Nigeria. It presents a literature review to offer clarification of key concepts. The paper finally discusses entrepreneurial competencies as very essential and necessary factors that enhance successful entrepreneurship, and stresses the need for more academic discourse and research in this area.

2. Literature Review

The literature review presented here is intended to offer a pertinent clarification of the key concepts in entrepreneurial discourse. These concepts are entrepreneur, entrepreneurship, intrapreneur and entrepreneurial competencies. The eclectic nature of entrepreneurship, continually generating research interests among scholars of diverse disciplines (Lumpkin & Dess, 1996; Brazeal & Herbert, 1999; Ireland, Hitt & Sirmon, 2003; and Ireland & Webb, 2007), justifies the need for operationalising these concepts within a defined subject area. This would further enhance understanding

and appreciation of the linkages of these concepts with the small and medium enterprises, that are ubiquitous in both the developed and developing nations, and contributing significant benefits to these economies.

2.1 Entrepreneur

The literature is replete with many definitions of an entrepreneur, and rarely do scholars agree on a universal definition of any sort. Rather scholars are wont to see an entrepreneur from the different perspectives, and sometimes also reflecting a particular social milieu. The term "entrepreneur" is French in origin and literally translates to mean "one who takes between". Richard Cantillon (1725) and Jean Baptiste Say (1824) are some important French writers who expressed views on the role of the entrepreneur. For Cantillon, an entrepreneur is one who bears uncertainty, buys labour and materials, and sells products at certain prices. He is one who takes risks and makes innovation on factors of production. He was thus the first to recognize the crucial role of the entrepreneur in economic development. Say also made similar contribution - considering the entrepreneur the pivot of the economy and a catalyst for economic change and development (Deakins, 1996:8-9). On his part, Schumpeter (1934) sees the entrepreneur as an innovator. He does new things in a new way. He supplies new products; makes new techniques of production, discovers new markets, and develops new sources of raw materials. The modern use of the term "entrepreneur" is usually credited to the works of Schumpeter. Drucker (1985) considers that the entrepreneur always searches for change, responds to it and exploits it as an opportunity. The American Heritage Dictionary defines an entrepreneur as a person who organizes, operates and assumes the risk of business ventures. In their own contribution, Meredith, Nelson and Neck (1991) posit that entrepreneurs are people who have the ability to see and evaluate business opportunities; to gather the necessary resources and to take advantage of them; and to initiate appropriate action to ensure success.

Based on the above review we can now conceptualize entrepreneur as a change agent, an innovator who is also a risk taker, who exploits business opportunities in his environment and utilize resources effectively to develop new technologies, produces new products and services to maximize his profits and contributing significantly to society's development. This definition encompasses the desire of the entrepreneur to maximize profit and contribute to economic and social well being of the society. It shows the entrepreneur as one who is also imbued with the ability to organize a business venture with the desire to achieve valued goals or results. He is a catalyst of economic or business activities.

It is of interest to note and clarify the concepts of "intrapreneur" which is related to that of entrepreneur. An employee of an existing organization may also be engaged in entrepreneurial activities through innovations and products development according to (Kanter, 1983). This is the case of an intrapreneur who is capable of initiating change from within in large organizations. Sometimes when such an employee is dissatisfied with the organization because he receives no support to fund and develop new products he may decide to leave and establish a new company to put his ideas into practice. In this case he becomes an entrepreneur, many business have their roots in intrapreneurship. The intrapreneur is therefore an entrepreneur within an already established organization.

2.2 Entrepreneurship

This is a creative process of organizing, managing an enterprise and assuming the risk involved in the enterprise. In a similar vein, Hisrich and Peters (2002: 10) see entrepreneurship as a "process of creating something new and assuming the risks and rewards". This definition stresses four important aspects of entrepreneurship:

(i) Creation process – creating something new of value to the entrepreneur and customers;

(ii) Entrepreneurship requires the duration of the necessary time and effort;

(iii) Risk taking is involved – financial, psychological and social; and

(iv) The reward needed in the form of profit, personal satisfaction, independence, etc.

Awodun (2005:118) adopts the same process approach to define entrepreneurship as an act of:

(i) Recognizing opportunities in your environment;

(ii) Mobilizing resources to take advantage of such opportunities;

(iii) Ensuring the provision of new or improved goods and services to customers; and

(iv) Obtaining profit in return for the risk to dare.

Entrepreneurship is therefore "about learning the skills needed to assume the risk of establishing a business … developing the wining strategies and executing them with all the vigor, persistence and passion needed to win any game" (Inegbenbor, 2006:1). Aruwa (2006: 3) sees entrepreneurship as "The willingness and ability of an individual to seek for investment opportunities, to establish and run an enterprise successfully". Entrepreneurship serves as a linchpin between invention, innovation, and introduction of new products and services in the marketplace and also enables the entrepreneurs to act as engines of growth in the economy (Ketchen, 2003; Venkataraman, 1997). Entrepreneurship is therefore linked to entrepreneurial opportunities, the compelling forces enabling entrepreneurs to introduce or develop new products or services. Dutta and Crossan (2005: 426) define entrepreneurial opportunities "as being a set of

environmental conditions that lead to the introduction of one or more new products or services in the marketplace by an entrepreneur or by an entrepreneurial team through an existing ventures or a newly created one." It is in a similar vein, that Aina & Salao (2008) see entrepreneurship as comprising "any purposeful activity that initiates, maintains or develops a profit oriented business interaction with internal situation of the business or with the economic, political and social circumstances surrounding the business".

Entrepreneurship is simply concerned with what an entrepreneur actually does – the utilization of resources in managing an enterprise and assuming the risks and maximizing profit from the business venture. It is a very dynamic process of creating incremented wealth for the well being of both the entrepreneur and individuals in society. Successful entrepreneurship requires the entrepreneur to posses certain managerial skills. These skills are the ability to conceptualize and plan effectively; ability to manage other individuals, ability to manage time effectively and to learn new techniques in handling business operations; and ability to adopt to change and to handle changes in our environment.

2.3 Entrepreneurial Competencies

A pertinent starting point in conceptualizing entrepreneurial competencies is to first define competence. A competence is simply the ability, which an individual requires to do assigned job. In the words of Woodruffe (1990) competence is "A work related concept which refers to areas of work at which the person is competent". Therefore, competent employees or individuals are those who meet their performance expectations. In management literature, "competencies", is used to describe the set of disparate skills managers require to help them perform their jobs. These skills are identified and effectively initiated in training courses or programmes. Competencies therefore constitute a cluster of related knowledge, attitudes, and skills, which an individual acquires and uses together, to produce outstanding performance in any given area of responsibility. In fact, in competency based training all three factors - knowledge, attitudes and skills must be effectively addressed, and taught in an integrated manner. This is the only way outstanding performance can be achieved.

Entrepreneurial competencies therefore, include those clusters of related knowledge, attitudes, and skills which an entrepreneur must acquire through managerial training and development to enable him produce outstanding performance, and maximize profit, while managing a business venture or an enterprise. Quite often, less attention is paid to these critical success variables; rather attention is focused mainly on financial resources. Business or entrepreneurial failures are readily attributed to inadequacy of financial resources. This calls for a shift in paradigm, in rethinking about entrepreneurial failures, by focusing on entrepreneurial competencies as the missing links to successful entrepreneurship. Inyang (2002) notes that the small scale business enterprises can achieve high level of productivity through the application of what he calls the people-based approaches or techniques, such as employee motivation, organizational communication, employee training and development, participation in decision making, among others. Emphasis must be re-focused in developing entrepreneurial competencies in the entrepreneurs to enable them contribute maximally to the economic development of the society.

3. Contributions of Entrepreneurs to Economic Development

The government places greater emphasis on entrepreneurial development in Nigeria. The National Universities Commission's 1989 Approved Minimum Academic Standards for teaching of courses in business schools at the undergraduate level has a compulsory course on "Entrepreneurial Development". This course is meant to create opportunities for graduating students of business management and related disciplines to learn entrepreneurial skills to help them venture into setting up businesses. The programme is also intended to assist the government in reducing unemployment through self-employment.

The government is therefore heavily concerned about developing small scale business operators or indigenous entrepreneurs, who can assist her in economic/national development – being self-employed and reducing unemployment, creating more employment opportunities and given the citizens a sense of self worth and confidence. Anyanwu et al., (2003) in a survey found that the beneficiaries in SMEEIS scheme recorded significant increases in employment in their enterprises, following the injection of SMEEIS funds. In Nigeria, small and medium enterprises are known to have contributed significantly to economic development, job creation and sustainable livelihood (NIPC, 2003). Owualah (1999: 9) notes that the small firms make both social and economic contributions to our development process. The social benefits are in terms of transforming traditional or indigenous industry; stimulating indigenous entrepreneurship and technology; creating jobs, and redistributing wealth and income. The economic benefits involve the utilization of local resources, the dispersal and diversification of economic activities and the mobilization of savings. Entrepreneurs constitute a veritable force in the promotion of an entrepreneurial culture. This, according to Ilesanmi (2000: 17) is so since the entrepreneurs "become models to be initiated [sic] by potential entrepreneurs because of the successful images already portrayed by the existing entrepreneurs". Onuoha (1994) equally notes that the small and medium scale enterprises provide the sources of material and labour inputs for bigger activities in the country. They

also contribute to increased regional business activities of the West African and other African countries through the export of manufactured goods by Nigeria entrepreneurs.

A holistic assessment of the role of the entrepreneurs shows that they are making significant contribution to national development. Based on statistics sourced from CBN publications of various years, Aruwa (2006) finds in 2003, small and medium enterprises in Nigeria contribute 90 percent to total number of industrial establishment; 70 percent to total industrial employment and 10-15 percent to total industrial production. This supports the results of an earlier study by Fadahusi (1992), which states that SME represents 90 percent of the enterprises in the ACP (African, Caribbean and Pacific) countries. This sector also provides 70 percent employment opportunities for the citizens and promote indigenous technology. Kuratko and Hodgett (2001) note that small business enterprises employ 53 percent of the private work-force and accounted for 47 percent of sales and 51 percent of private sector gross domestic product GDP. Ogundele and Oni (1995) therefore conclude that the SMEs or the entrepreneurs are the dominant feature in the economies of both developed and developing countries. According to Inegbenebor (2006: 2) the entrepreneurs or small and medium enterprises help to "raise the level of productivity in the economy by harnessing and utilizing resources more effectively. Entrepreneurs are innovators developing new technologies, new products and services, or adapting existing technologies to new ones". As promoters of change and initiators of development activities, entrepreneurs are a rare breed of people with rare abilities to identify and exploit opportunities, to improve the status of our society, while maximizing benefits from their venturesomeness. The entrepreneurs usually start as a downtown corner shop, or business outfit of a family size, to grow to become a big business concern like the Dangotes, Ekenedili Chukwus, Ibrus, Odutolas, Fola Adeolas, and others. These are well-known and successful Nigerian entrepreneurs with large conglomerates or business empires under their control. What helps them going over the years despite obstacles, are the development of special skills, attitudes and behaviours, which enable them to preserve and perform their roles in society. Success comes only through such disciplined orientation and commitment to a course of action. The Nigeria entrepreneurs must acquire the requisite entrepreneurial competencies through regular training and development programmes to avoid entrepreneurial failures in their business ventures.

4. Entrepreneurial Competencies and Entrepreneurship

Entrepreneurial competencies have important role to play in entrepreneurship, in Nigeria. This section presents a critical analysis of the following entrepreneurial competencies, which we consider as the missing links to successful entrepreneurship.

4.1 Time Management

Time management has been an area of concern for individuals, corporate bodies and entrepreneurs in particular. Few things are more important to us than learning to save time and how to spend it wisely. Adair (1988) notes that "Time is a scare resource, it is irreplaceable and irreversible". If we see time as a scare resource, we will choose the best and wisest way to spend it. This principle applies to us all in most areas of our lives. But it is especially true in the world of work. For the potential demands and pressures on our time greatly outweigh what is available. We have to choose our ends wisely and achieve them. Ilesanmi (2000:194) opines "to achieve more in the day to day business, the entrepreneur must be thoroughly equipped with the skills for managing his/her time effectively".

Time discipline can be applied to any end. It is a transferable skill. In history there had been a shift from religious to secular ends especially the making of money. That is not irreversible. There is no reason why the principles of time management now taught in a business context cannot be applied to spiritual and intellectual life. The adage that "Time is money" is often referred to as the businessman's proverb and this can help us towards a personal philosophy of time. The point of the analogy is that both time and money are limited resources. Therefore, time (like money) is a valuable commodity. It can be borrowed, saved or squandered.

The "time is money" analogy is operational not a mere literary ornament. It is a positive and practical help to look upon time as money. For money is a wide spread yardstick of value. If we see our time as being more valuable than money we have it about right. As most of us try to save our money and invest wisely, we should also try to avoid wasting our time and to invest it with energy to good effect.

Ilesanmi (2000:194) identifies some common time consuming activities to include slow decision making, inability to delegate, unnecessary interruptions, appointments that fail to take place, delays while traveling, poorly conducted meetings, procrastination, etc. He suggests that all entrepreneurs need to learn how to manage their time effectively by carrying out activities such as: quick decision making habits, keeping diaries, delegating duties, avoiding unnecessary interruptions, properly conducted meetings, avoiding queues, selecting and following priorities, etc. A successful entrepreneur is an effective time manager.

4.2 Communication

Nwachukwu (1988) defines communication as the transfer of ideas from the sender to the receiver. It is an indispensable management tool. According to Inyang, Oden and Esu (2003:2) the specific goals of communication in an

organization "are to influence, inform and/or to express feelings". The entrepreneur therefore requires effective communication skills for several reasons according to Ilesanmi (2000:193):

1. Communication process helps the entrepreneur effect the managerial functions of planning, organizing, staffing, influencing, interacting, controlling, and co-ordinating.

2. It facilitates distribution of work to various categories of staff.

3. It is an effective tool for staff participation in decision-making and entrepreneurial effectiveness.

4. It enhances the development of actual understanding among all organizational members.

5. It helps to create good public relations or image for an organization.

6. It is an instrument for maintaining staff discipline and in asserting authority over subordinates.

7. It is a means of transmitting information, work instructions and feedback at the work place.

It is obvious therefore, that "communication is the most important tool we have for getting things done and the basis for understanding, for co-ordinating and for action (Inyang, 2000). In carrying out this vital managerial responsibility, the entrepreneur must learn to communicate in correct, clear, short and courteous manner in order to accomplish desired goals.

4.3 Human Resources Management

Grant and Smith (1977) note that "the human resources of most companies are the most difficult to obtain, the most expensive to maintain and the hardest to retain. Capital and materials are of equal importance to the organization but, inanimate and unemotional, they demand no understanding of human needs and motivations for their effective utilization". Likert (1967:1) notes that "All the activities of any enterprise are initiated and determined by the persons who make up the institution. Plans, offices, computer automated equipment and all else that a modern firm uses are unproductive except for human effort and direction". Cole (1990) sees human resources as the most dynamic of all the organization's resources that need considerable attention from the organization's management if they are to realize their full potential in their work

The entrepreneur needs to put in place both human resources (labour) and capital resources (money, machinery, materials and methods) in order to achieve the overall organizational goals and objectives. Without acquisition of human resource management skills, the capital resources earlier mentioned cannot be effectively used. The effective management of the human resources of an organization determines the success or failure of the organization because all other resources (inanimate) depend on the human element. Iyayi (2006) aptly states the obvious justification for small-scale business organization to pay serious attention to human resources management function since this contributes significantly to entrepreneurial success.

Generally, the new venture does not have the luxury of human resource department that can interview, hire and evaluate employees. Most of these decisions will be the responsibility of the entrepreneur and perhaps one or two other key employees. As the firm grows, there will almost be a need to hire new employees. The entrepreneur must follow important procedures for interviewing, hiring, evaluating and preparing job description for new employees. Instituting an effective organizational culture can also be useful in human resources management.

4.4 Marketing Management

Hisrich and Peters (2002: 509) state, "marketing skills in the growth stage of a new venture are also critical to a venture's continued success. As the company grows, it will need to develop new products and services to maintain its distinctiveness in a competitive market". This should be an on going process based on information regarding changing customer's needs and competitive strategies. This information can be obtained formally using survey or focus groups, or informally by direct contact with customers by the entrepreneur or his or her sales force.

Ebitu (2005:196) opines that "marketing is crucial to the survival and growth of any organization. It is only marketing that brings revenue into the organization which is used to settle bills, acquire assets, carry out expansion, pay dividends and taxies and embark on community projects as part of its social responsibility". In essence, all the funds generated by an entrepreneur are dependent on marketing. He further notes, "the marketing function interrelates with almost all other functional areas of business such as accounting, finance, production, engineering and human resources. The marketing function is central and strategic to a firms success" (Ebitu, 2005: 196).

The importance of marketing management skill to an entrepreneur cannot be overemphasized. Ebitu (2005:197) notes that "No matter how lofty the entrepreneur's ideas, techniques and products are, effective marketing must be applied in order to reap the dividends of his endeavour".

4.5 Business Ethics

"Ethics concerns the rules and principles that define right and wrong, good and bad conduct. Ethics also deals with moral ability and obligations" (Inyang, 2004:136). It is viewed as a system of rules governing the ordering of values in

society. Business ethics is sometimes called management ethics, and it is the application of ethical principles to business relationships and activities.

Statt (1999: 19) sees business ethics as the application of ethical concerns to the world of business and it usually takes one of three forms:

1). *Code of ethics:* Where a company has explicit guidelines for the members about what constitutes acceptable behaviour to stakeholders like staff or customers;

2). *Changes in the Board of Directors:* To include people from outside the business world who reflect broader interests; and

3). *Social Responsibility:* By a company in the marketing of it goods and services.

The entrepreneurs and employees have ethical responsibilities or obligations, which are placed on them by virtue of the positions, they occupy in the organization. The entrepreneur must adhere to high ethical standards, dealing fairly, honestly and responsibly with his employees and other stakeholders. He requires these ethical abilities to succeed in the business or operate effectively. Tracy (2000: 213) puts it this way that, "People don't buy products or services. They "buy" the people who are selling the products or services. First, you sell yourself as a likeable and credible person, and then you sell what you represent".

On the part of the employees, they are expected to exhibit the same high ethical standard of behaviour that will affect the company's image financially and economically. For example, "employees pilfering in the work place, fasification of records, divulging official information to unauthorized persons, are some of the unethical behaviour that must be avoided by employees" (Inyang, 2004: 137).

Business ethics is becoming a subject of intense concern for society, which is now demanding that organizations should operate responsibly and maintain very high ethical standards to improve the quality of life of the people. Managers are thus dealing with different publics. Abonifoh (1999:187) effectively documents the ethical concerns of managers as they relate to the different publics (employees, labour unions, trade associations, dealers, customers, suppliers, stakeholders, creditors, government, society at large and the firm itself). In a recent review of entrepreneurial studies in Nigeria, Ogundele (2006) finds that the general lack of business ethics – lack of disciplined behaviour by entrepreneurs and officials charged with the execution of government entrepreneurial assistance programmes – was a major missing link in successful entrepreneurial development.

4.6 Social Responsibility

The establishment of every business venture is backed up by the profit motive. It is the profit that drives shareholders into buying shares and private capital owners into investing their capital. The profit motive leads to the production of goods and services. The business venture also has the responsibility to embark on certain projects within and outside its environment as part of its social responsibility. Business should not only be concerned about the quality of goods and services they produce to generate profit but also their contribution to the quality of life in their operational environment.

Inyang (2004: 148 – 149) defines social responsibility or corporate responsibility as "the obligation of businessmen to pursue those policies, to make those decisions or to follow those lines of action, which are desirable in terms of objectives and values of the society of their location". The business operators have a responsibility to protect and improve society, and their actions should not in anyhow endanger a community or society. They should display high degree of corporate responsiveness, which is the ability of an organization to relate its operations and policies to the environment in ways that are mutually beneficial to the organization and the society.

The entrepreneur in a small business venture still must effect some social responsibilities, even if not on a larger scale like those undertaken by corporate organizations. He needs to make contribution to community development, product safety, employment generation, ethical business practices, contribution towards educational activities like award of scholarships, and even creating opportunity for apprenticeship training, and so on. Undertaking some of these responsibilities may endear the entrepreneur to his host community, enhance his image and social standing, thus contributing significantly to his business success.

4.7 Leadership

Leadership is the most important single factor in determining business success or failure in our competitive, turbulent, fast moving global economy. The quality of leadership is the decisive strength or weakness of organizations and institutions. The ability to produce the necessary leadership is the key determinant of achievement in all-human activities.

According to Ilesanmi (2000: 187) "successful entrepreneurs are successful leaders, they have power and motivate the entrepreneurial venture". In other words, for an entrepreneur to succeed, he/she must have the ability to direct the organization and persuade others to seek defined objective enthusiastically. You become a leader in your business and

in the world around you by practicing the qualities and behaviours of leaders who have gone before you. Like any set of skills, leadership is developed by practice and repetition, over and over again, until you master it.

Entrepreneurs are creative individuals with unique leadership qualities and personal styles. As astute leaders, "They seek opportunities, initiate projects, gather the physical, financial and human resources needed to carry out projects, set goals for themselves and others, and direct and guide others to accomplish goals" (Ilesanmi, 2000: 188). Effective leadership is a potent tool in the hands of the entrepreneur, which helps him to turn his business vision into reality.

4.8 Decision-making

Decision-making is very important to the success of an entrepreneur. According to Nwachukwu (2005: 169), "Decision making is at core of entrepreneurial activities." Making a decision is one thing and making the right decision given the circumstance is another.

Many individuals have difficulty bringing their ideas to the market and creating a new venture. Yet entrepreneurship and the actual entrepreneurial decisions have resulted in several millions new businesses being started throughout the world.

According to Inyang (2004: 129) decision-making is "the process of selecting among available alternatives". This selection process may be very difficult especially when the available alternatives are numerous. An entrepreneur makes decisions on daily basis and therefore has to acquire adequate knowledge and skills in decision making to enable him/her make the right decisions. The decision taken at any point in time may either make or mar an enterprise completely.

Tracy (2000:61) states, "The ability to make good decision is one of the most important skills of the successful person. In studies where the careers of managers who were promoted rapidly were compared to those of managers who were passed over for promotion, researchers found that the one distinguishing behaviour of the more rapidly promoted managers is that they were more decisive in everything they did".

Making a decision is as important as implementing the decision. Sometimes the right decisions are actually made but the courage to implement it is not there. An entrepreneur has to acquire adequate knowledge, skills and attitude to making the right decisions and implementing it in order to achieve optimum result in a given situation.

Tracy (2000: 62) states that "High achievers are not necessarily those who make the right decisions, but they are those people who make their decisions right. They accept feedback and self-correction. They take in new information and they change if necessary. But they are always decisive, always moving forward, never wishy-washy or vacillating in their attitude and their approaches to life".

It follows therefore, that an entrepreneur can only succeed in his undertaking when he makes the right decisions and is also able to ensure that they are implemented and subject to change if necessary.

4.9 Financial Management

Every business enterprise requires capital with which to start its operations. Capital here means two things; money needed to start and operate the business and assets, which represent the resources provided by owners and creditors of the business. The extent of the need for capital must be determined before hand and then sources of the needed capital found.

Ojong (2005) identifies that one of the characteristics of a successful entrepreneur is his/her ability to source for funds for his enterprise. These funds have to be properly managed to ensure that at any point in time, there will be adequate funds to cater for the day to day running of the enterprise.

Mbat (2001: 3) defines financial management as "the planning, organizing, directing and controlling of the firm's financial resources". An entrepreneur needs to acquire knowledge on financial management issues like anticipation of financial needs for the enterprise, acquisition of funds and allocation of funds in order to yield optimum result. To achieve these goals he or she needs to maintain the correct proportion of the firm's finances in three key areas: savings, insurance and investments. Most entrepreneurial failure are due to the inability of the entrepreneurs to effectively manage funds which they source for their ventures. The acquisition of financial management knowledge is therefore a necessary factor in entrepreneurial success. "The essence of financial management if therefore to ensure that there is adequate cash on hand to meet the necessary current and capital expenditures as well as to assist in maximizing growth and profits." (Nwachukwu, 2005: 184).

5. Conclusion

The entrepreneur is an important agent of change, contributing significantly to the economic development of Nigeria in terms of wealth and employment creation, stimulation of indigenous entrepreneurship and so on. The government on her part recognises the strategic and economic role of the entrepreneur and has continuously crafted policies that would

enhance the development of entrepreneurship in the country. The government policy initiatives have tended to emphasize more of financial resources than other critical factors to entrepreneurial success

These other critical success factors – the entrepreneurial competencies – which have been neglected for long, should be considered as very essential and necessary variables in entrepreneurial development. The entrepreneur needs to acquire competencies in such areas as managing time effectively, communication, human resources management, business ethics and social responsibilities, developing effective leadership qualities, decision making skills, marketing and financial management. These entrepreneurial competencies, which are rooted in effective training and development, can serve the needed tonic for his success in business.

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