

**BASIC SKILLS NEEDED BY ACCOUNTING EDUCATION  
GRADUATE ENTREPRENEURS FOR EFFECTIVE  
MANAGEMENT OF SMALL SCALE BUSINESSES IN NKANU  
EAST LOCAL GOVERNMENT AREA**

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**Abstract**

*The study was carried out to determine basic skills needed by accounting education graduate entrepreneurs for effective management of small scale businesses in Nkanu East Local Government Area of Enugu State. Three research questions guided the study. The research was a survey research design. The population for the study was 120 small scale business owners in Nkanu-East Local Government Area. The size was manageable and used entirely without sampling. A questionnaire containing 28 items, developed by the researchers was used to collect data for the study. The instrument was validated by three experts, and the instrument yielded a reliability coefficient of 0.72; which indicated its reliability. Mean and standard deviation was used to answer the research questions. The findings showed that technical, administrative and work attitude skills are basic skills needed by accounting education graduate entrepreneurs for effective management of small scale businesses, in Nkanu-East Local Government Area. Based on the findings, it was recommended among other things that University accounting education students in addition to learning accounting skills, should be exposed to entrepreneurial skills. Financial institutions should encourage accounting education graduates by giving them loan with low interest rate.*

## Introduction

The success or failure of any small scale business will depend solely on the managerial skills possessed by entrepreneur(s). Onoh (2013) defined an entrepreneur as a risk taker, a person who braves uncertainty, strikes out on one's own and through native wit, devotion to duty and singleness of purpose, somehow creates a business and industrial activities where none existed before. An entrepreneur therefore, is also one who undertakes innovations, finance and business acumen in an office to transform innovations into economic goods. This could be achieved through management.

Management is an art of getting work done through people. Osuoha (2000) defined management as the process undertaken by one or more individuals to co-ordinate the activities of others and achieve results not achievable by one individual acting alone.

Chibuike (2012) stated that all modern managers essentially face managerial tasks: managing work and organizations, managing people and managing production and operations. No matter what an organization or business engages in, its managers face these three tasks. Thus, managing is more than solving behavioural problems. It is more than solving technical problems; it is more than managing individual works; it is more than planning a department's future. Obayi (2011), observed that to manage, entails organizing the establishment and seeing that the different people employed by it perform their various functions, so that the main objectives of the establishment may be realized. But William (1976) in Aguba (2009) was of the view that the word, "manage" seemed to have come into English usage directly from Italian "maeggear", meaning to "handle", especially to handle or train horses. Management, in the

words of Obi (2004) refers to the process by which managers create, direct, maintain and operate purposive organizations through coordinated, cooperative human efforts. Entrepreneurship is the pursuit of opportunity beyond the financial management of an entrepreneurial venture. It is an act of being an entrepreneur who undertakes innovations, finance and business acumen in an effort to transform innovation into economic goods (Osuala, 2004).

Skill is the ability to do something well. It is generally believed that acquisition of skills is the productive power of the nation. Skill according to Business Dictionary (2016) is the ability and capacity acquired through deliberate, systematic and sustained effort to smoothly and adaptively carryout activities or job functions. According to Osuala (2006) in Nwachukwu (2009), skill is knowledge and proficiency required of any specific tasks.

Cyallesu (2002) reported that technical skills are regarded as basic communication, ability and computational knowledge. Basic communication ability would enable accounting education graduate to effectively interact with customers.

Ike-Obioha, Ihebereme and Ikwuegbu (2006) cautioned that effective administrative skill is not “by guess and by wish” but by understanding to apply positive methods, uncover ways to improve work and discover inherent weaknesses so as to take positive steps for making accurate forecasts.

Work attitude skill is a strong tool for overcoming challenges in running a small scale business (Osuala 2004). Such skills are being respectful, committed, innovative and helpful.

Entrepreneurship skills are life surviving skills which an individual needs to function effectively and face the challenges of life (Ofoha 2010). It is observed that the skill will help in reducing

the level of unemployment and enhance self-reliance. These entrepreneurship skills can be acquired through entrepreneurship education. Osuala (2004) opined that entrepreneurship education is a specialized training given to technology and vocational education students to acquire skills, ideas and managerial capabilities for self employment rather than being employed.

A small scale business is one which is independently owned and operated by private individual which is not dominant in its field of operation (Amienighoham, 2004). In great Britain, the standard definition of a small business is one with an annual turnover of two millions pounds sterling (\$2,000,000) or less than two hundred paid employees. In recent time, many countries had their criteria for small scale businesses.

However, in Nigeria, the multiplicity of the definition is quite apparent. The Nigerian bank of Commerce and Industry defines

a small scale enterprise as one whose capital does not exceed seven hundred and fifty thousand naira (N750,000), whereas the Nigeria Federal Government view small scale industries to include all trading and manufacturing unit with a capital investment up to sixty thousand naira (N60,000). Small scale enterprise is one whose total assets in equipment, plant and working capital are less than N250,000 (two hundred and fifty thousand naira) and employees fewer than 50 but not less than two workers (Banmbach, 1992).

Accounting may be as old as man. In business or organization, accounting is often described as the language of business (Ubesie, 2000). Accounting is generally known as indispensable part of every organized entity as it provides records or how business activities are carried out (Ugwunwoti, 2013).

Accounting has the following branches viz: financial accounting, managerial accounting,

tax accounting and public sector accounting. Financial accounting deals with the act of identifying, measuring, recording, classifying and summarizing in a systematic manner and in terms of money all transactions and events which will in part or full display the financial character and interpret the financial results thereof (Onovo 1997, in Ugwunwoti 2013).

Managerial aspects of accounting serves as the management tools for purposes of guiding in the decision making process of an organization (Nweze, 2004). It deals with product costing or project evaluation, budgeting and budgetary control, internal audit functions and other systems designed to control the financial and allied activities of the enterprises.

Tax accounting is the field of accounting which has to do with tax planning, tax payment and other issues regarding corporate and to other tax management patterns within an organization (Okpe,

2005). Government accounting according to Nwabueze (2000) involves the composite activity of collecting, analyzing, recording, summarizing, reporting and interpreting of all the financial transaction in government units. However, Osuala (2004) observed that accounting education graduates have wider employment opportunities either for self employment or paid employment.

Accounting education is one of the courses offered in Nigerian University which prepares students for careers in accounting and education. Accounting education is the type of education that provides individuals with skills and knowledge in accounting, computing and data processing occupations for gainful employment in private and public enterprises for self-employment (Nwokike, 2010).

In the Nigeria context, therefore, a small business is any business that is owned, managed and controlled by one-man or

partners of about two persons with total assets of fifty million naira, and a relatively small share of the market and does not have more than fifty employees. Therefore, for accounting education graduates to efficiently manage small businesses, they must learn and develop entrepreneurship skills aside their basic knowledge of accounting.

The Nigeria governments at both federal and state levels have articulated the National Economic Employment and Development Strategy (NEEDS) and State Economic Empowerment and Development Strategy (SEEDS) packages for federal and states respectively. These are part of a long-term programmes to address gross unemployment and under employment, especially at youth levels. Small scale businesses are the essential tools for economic development of a country. For accounting education graduate entrepreneurs to effectively and efficiently manage small scale

businesses successfully, they must possess certain skills.

A careful look at various small scale business offices, observed that these skills seem lacking from accounting education graduates entrepreneurs. This may be lack of work attitudes, technical skills, improper keeping of financial statements as well as lack of theoretical skills. The problem of this study posed as a question: What are the basic skills needed by accounting education graduates entrepreneurs for effective management of small scale businesses in Nkanu East Local Government Area?

The major purpose of the study was to determine basic skills needed by accounting education graduates entrepreneurs for effective management of small scale businesses in Nkanu East Local Government Area. Specifically the study sought to determine the:

1. technical skills needed by accounting education graduates entrepreneurs for effective management of small scale businesses in Nkanu East Local Government Area.
  2. administrative skills needed by accounting education graduates entrepreneurs for effective management of small scale businesses in Nkanu East local Government Area?
  3. work attitude skills needed by accounting education graduates entrepreneurs for effective management of small scale businesses in Nkanu East local Government Area?
- education graduate entrepreneurs for effective management small scale businesses in Nkanu East Local Government Area?
  2. What are the administrative skills needed by accounting education graduate entrepreneurs for effective management of small scale businesses in Nkanu East local Government Area?
  3. What are the work attitude skills needed by accounting education graduate entrepreneurs for effective management of small scale businesses in Nkanu East local Government Area?

### Research Questions

In order to attain the objectives of this study, the following research questions were formulated for the study:

1. What are the technical skills needed by accounting

### Method

Survey research design was used for the study. A survey research design is suitable for this because, a survey research focuses on people, the vital facts of the people, their beliefs, opinions, attitudes, motivations and behaviors (Osuala, 2001).

The study was carried out in small scale business organizations in Nkanu East local Government Area? Nkanu-East Local Government Area is one of the seventeen Local Government Areas in Enugu State with 33 towns. The population of the study consisted of 120 small scale business operators in 30 small scale businesses in Nkanu-East Local Government Area. There was no sampling since the population was manageable.

A questionnaire was the instrument for data collection. A structured questionnaire with 28 items was used for the study. A four-point scale with response categories of Very highly needed (VHN), Highly needed (HN), fairly

needed (FN) and Lowly needed (LN) and normal values of 4, 3, 2, and 1 respectively were assigned.

The instrument was subjected to validation exercise by three experts. The instrument yielded a reliability coefficient of 0.72, which indicates that the instrument was highly reliable. Mean and standard deviation were used to answer research questions, while the upper and lower limits of 3.50 – 4.00 (VHN), 2.50 – 3.49 (HN), 1.50 – 2.49 (FN) and 0.50 – 1.49 (LN) were used for decisions. The standard deviation helped to determine the closeness or otherwise of the mean responses.



## Results

**Research question 1:** What are the technical skills needed by accounting education entrepreneurs for managing small scale businesses in Nkanu East Local Government Area?

**Table 1: Mean responses of the respondents on the technical skills needed by accounting education entrepreneurs for managing mall scale businesses in Nkanu East Local Government Area**

n = 120

S/n	Technical skills needed by accounting education entrepreneurs include:	$\bar{X}$	SD	Decision
1.	calculation of discounts	3.42	0.76	Very highly needed
2.	interpretation of Bank statements	3.29	0.84	Fairly needed
3.	use of bank facilities like loans	3.08	0.95	Highly needed
4.	proper use of calculating machines	3.58	0.64	Very highly needed
5.	extraction of trial Balance	3.58	0.67	Very highly needed
6.	proper use of ICT facilities	3.36	0.85	Highly needed
7.	preparation of subsidiary books	3.40	0.76	Highly needed
Grand mean and standard deviation		3.40	0.68	Highly needed

Table 1 shows that items number 1, 2, 3, 4, 5, 6, 7 and 8 respectively have means of 3.42, 3.29, 3.08, 3.75, 3.58, 3.33, 3.36 and 3.42 respectively. This shows that the respondents agreed on the technical skills needed by accounting education entrepreneurs for effective management of small scale business in Nkanu East local Government Area.

**Research question 2:** What are the administrative skills needed by accounting education graduate entrepreneurs for managing small-scale businesses in Nkanu East local Government Area?

n = 120

S/n	Administrative skills needed by accounting education graduates entrepreneurs. they include ability to:	$\bar{X}$	SD	Decision
8.	bear risks in starting businesses	3.36	0.85	Highly needed
9.	maintain effective business growth	3.08	0.97	Highly needed
10.	initiate good business plan	3.25	0.88	Highly needed
11.	plan for good goal achievement	3.75	0.60	Very highly needed
12.	utilize available resources	3.58	0.64	Very highly needed
13.	maintain good time management	3.00	1.04	Highly needed
14.	identify and state clear goals	3.13	0.68	Highly needed
15.	maintain effective control of human resource	3.34	0.75	Highly needed
16.	to be punctual to duty	3.06	0.95	Highly needed
	Grand mean and standard deviation	3.05	0.64	Very highly needed

In table 2, all the items numbered 9 – 17 have their means cut off at 3.00 and had grand mean of 3.28. These show that the respondents agreed on administrative skills needed by accounting education graduates entrepreneurs for managing small scale businesses in Nkanu East Local Government Area.

**Research Question 3:** What are the work attitude skills needed by accounting education graduate entrepreneurs for managing small scale businesses in Nkanu East local Government Area?

**Table 3: Mean ratings of the respondents on the work attitudes needed by accounting education graduate entrepreneurs for managing small scale businesses in Nkanu East Local Government Area**

n = 120

S/n	Work attitude skills needed by accounting education graduate entrepreneurs. Their are ability to:	$\bar{X}$	SD	Decision
17.	cooperate with people	3.25	0.65	Highly needed
18.	appreciate people	3.38	0.66	Highly needed
19.	accept job with smiles	3.75	0.60	Very highly needed
20.	exhibit honesty	3.29	0.73	Highly needed
21.	posses sense of humour	3.13	0.78	Highly needed
22.	be respectful	3.20	0.81	Highly needed
23.	adjust into a group	3.58	0.76	Very highly needed
24.	cope under stress	3.25	0.65	Highly needed
25.	exhibit courtesy to clients	3.75	0.62	Very highly needed
26.	shun social loafing	3.13	0.78	Highly needed
27.	provide quality service	3.71	0.66	Very highly needed
Grand mean and standard deviation		3.40	0.70	Highly needed

Table 3 showed that, the respondents were of the view that the work attitude skills are highly needed by accounting education graduate entrepreneurs for effective management of small scale businesses in Nkanu-East Local Government Area.

### Summary of findings of the study

Results of data analysis relating to the study have shown the followings:

1. Technical skills are highly needed by accounting education graduates entrepreneurs for effective

management of small scale businesses in Nkanu-East Local Government Area.

2. Administrative skills play vital roles in the management of small scale businesses by accounting education graduate

entrepreneurs for managing small scale businesses in Nkanu East Local Government Area.

3. Work attitude skills are highly needed by the accounting education graduate entrepreneurs in Nkanu Local Government Area for effective management of small scale business enterprises.

### **Discussion:**

The result of this study from research question 1, revealed that technical skill is one of the skills needed by accounting education graduate entrepreneurs for managing small scale businesses in Nkanu Local Government Area. It enables one to have ability to calculate discounts, prepare cash books, interpretation of bank statements among others. It helps in the growth of small scale businesses. This is in line with Ike-Obioha, Ihebereme and Ikwuegbu, (2006) that technical skills

encourages the use of tools, methods, processes, procedures and techniques of a specialized field to perform specific tasks. This will go a long way in equipping the accounting education graduate entrepreneurs for self-reliance.

Findings in respect of research question 2 showed that the respondents also agreed that administrative skills play vital roles in management of small scale businesses. Thus, it helps in planning whether long or short term planning. Such entrepreneurs with good administrative skills will be able to take reasonable risks. It is observed that it helps in the effective control of human resources, stating clear goals, time management as well as achieve organizational goals and objectives. This is in agreement with Ofoha (2010), that administrative skills are life surviving skills which an individual needs to function effectively to face the challenges of life.

Analysis of the research question 3, in table 3 showed that work attitude skill is also vital to the owners of small scale businesses in Nkanu East Local Government Area. For such entrepreneurs to run their small scale businesses successfully, the following skills are vital viz: ability to cooperate with people, appreciate people, accept jobs with smiles among others. This is in consonance with Osuala (2004) that work attitude skills are strong tools for overcoming challenges in running small scale businesses.

### **Conclusion**

Small scale businesses are essential tools for economic development and growth. For Accounting education graduate entrepreneurs to effectively and efficiently manage small scale, they must possess certain skills. Technical skills as well as administrative skills, play vital roles for economic development. It

facilitates the proper utilization of money, man and materials. Moreover, work attitudes skill enable accounting education graduates entrepreneurs to manage with ease small scale businesses in Nkanu Local Government Area.

### **Recommendations:**

In view of the findings and conclusion of the study, the following recommendations were made:

- 1) Accounting education lecturers in addition to teaching students accounting skills, should as well expose them to the entrepreneurship basic skills. This will enable them manage effectively and efficiently small scale businesses.
- 2) Universities at all levels, should continue to lay more emphasis on entrepreneurship education by making it compulsory.
- 3) There should be regular seminars, workshops and

leadership trainings for accounting education graduates entrepreneurs. These will equip them with necessary skills.

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