



## MARKETING AND MANAGEMENT COMPETENCIES REQUIRED FOR SUCCESSFUL ENTREPRENEURSHIP AS PERCEIVED BY OFFICERS OF EMPLOYMENT GENERATION AGENCIES IN SOUTH-EAST NIGERIA

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### Abstract:

This study was conducted to determine the business competencies required for effective entrepreneurship as perceived by officers of employment generation agencies in South East Nigeria. The population of 1624 senior staff who have worked for not less than ten years was studied without sampling. Two research questions guided the study and four null hypotheses were tested at 0.05 of significance. The study adopted the descriptive survey design and a 5-point rating scale questionnaire containing 23 items which was validated by experts was used for data collection. The arithmetic mean was used to analyze data in respect of the research questions while z-test and analysis of variance (ANOVA) were used to test the null hypotheses. Findings of the study show that management and marketing competencies are highly needed for success in entrepreneurship and the agents of NDE and NAPEP differed significantly in their mean ratings on the extent the competencies are needed. It was, therefore, concluded that acquisition of relevant competencies in the two broad areas by practicing and prospective entrepreneurs will enhance their effectiveness and reduce the mortality rate of entrepreneurship businesses in the country. Consequently, it was recommended, among others, that NDE, NAPEP, other government employment agencies and the government should engage in enlightenment campaign to create the awareness of existing opportunities in the agencies for the benefit of the masses while government should assess the level of the required competencies possessed by the training agents since they cannot give what they do not have.

**Keywords:** management and marketing, competencies, successful entrepreneurship, employment, generation, agencies

## 1. Introduction

Entrepreneurship is accepted all over the world as a vital key to individual and national development and self-reliance. Okoye (2007) affirmed that no matter the nature of economic and political situation in a country, entrepreneurship is a very essential tool for individual and national sustainable development. Hisrich and Peters (2002) defined entrepreneurship as the process of creating something new with value by devoting the necessary time and efforts as well as assuming the accompanying risks and enjoying the rewards of monetary and personal satisfaction plus independence. This is supported by Odurina in Osuala (2004) who defined entrepreneurship as the process of using available capital in any form of business endeavour in an open and free market economy for the purpose of meeting felt needs and making profit.

Contributing, Okoye (2007) defined entrepreneurship as the exploration of existing conditions in an environment so as to discover any deficiencies and innovate ideas that could make them up at a profit. Entrepreneurs are the brains behind entrepreneurship activities. Nzelibe (1996) defined entrepreneurs as action oriented, highly motivated individuals who take risks to achieve goals. Deakins (1996) defined entrepreneurs as the pivot of the economy and catalyst for economic change and development providing the commercial stage in the production process. Mancuzo (1992) defined an entrepreneur as an individual who conceives and develops business plans, starts, manages and assumes the risks of a business enterprise while anticipating profits. Supporting, Robinson and Davidson (1996) and Okoye defined an entrepreneur as someone who runs a commercial enterprise with some personal financial risks plus the responsibility of devising means of making the enterprise survive and grow. According to Ezenwafor (2010), the entrepreneur is a king pin of any business enterprise whose efforts boost the economic and industrial development of any society or nation.

Akinola (2002) affirmed that effective entrepreneurship is the ideal panacea to the challenges of unemployment and poverty facing developing nations like Nigeria. Effective entrepreneurship is where enterprise culture and endeavours are successfully serving the needs of members of the society and making profits for their owners as well as giving them personal satisfaction and independence. In other words, effective entrepreneurship involves the achievement of the aims and objectives of business enterprises in a given society. Nwafor (2007) argued that most developing nations do

not really lack the culture of enterprise but the competencies required for effective entrepreneurship. This agreed with the views of Mintzery (2006) that countries like Nigeria do not lack enterprise culture because markets and personal initiatives are pervasive. To buttress the point, Mintzery observed that one or two sequence kids might approach a car that stops at a traffic light in New York while such a car in Lagos will immediately be surrounded by a virtual supermarket. This means that successful entrepreneurship requires possession and both enterprise culture and relevant competencies by practicing and prospective entrepreneurs. It is in view of this that Ezenwafor (2014) affirmed that certain skills and competencies are required to succeed as an entrepreneur.

Competencies in this context connote the sum total of an entrepreneur's possessed attributes, attitudes, values, beliefs, knowledge, skills, personal abilities, wisdom, expertise (social, technical and managerial) mindset and behavioural attributes needed for successful and sustainable entrepreneurship (Ezenwafor, 2014). This view agreed with Meredith, Nelson and Leach (1991) who highlighted the attributes of effective entrepreneurs as innovative, creative, flexible, hard-working, resourceful and perceptive as well as liking challenges and possessing confidence, versatile knowledge, individuality, optimism, risk-taking ability, need for achievement, determination, drive, initiative and profit orientation.

Kolter (1999) defined marketing as all the activities designed to generate and facilitate exchange of anything intended to satisfy human needs or wants. Iheonunekwu (2003) posited that marketing is more than selling as it begins with finding out what the customer wants, continues with making the product or service available and ends with disposing of it at a reasonable profit margin. Sabo (2006) affirmed that marketing competencies are very important where goods or services are freely supplied, competition is high, technology or consumers' taste change rapidly and product differentiation opportunities exist. On the other hand, Onwuchekwa (1998) defined management as a mental activity which involves planning, organizing and controlling the activities of an organization in order to accomplish certain designated objectives. Supporting, Osnala (2000) defined management as a process undertaken by one or more individuals in order to co-ordinate the activities of others so as to achieve results that could not be achieved where one individual is acting alone. In her own contribution, Akinola (2002) defined management as a process by which a manager creates, directs, maintains and operates a purposive organization through a systematic and coordinated human effort. Ezenwafor (2010) affirmed that management competencies are of immense importance to the success of an entrepreneur as the

success or failure of his enterprise depends to a large extent on his ability to effectively manage finance, personnel, time, production and distribution of goods and services.

From the forgoing, it is obvious that marketing and management competencies are very vital for effective entrepreneurship. While marketing competencies refer to the ability to produce goods or services needed by members of a given society and dispose of them at a reasonable profit margin, management competencies refer to the ability to plan, supervise and coordinate functions of individual workers and arms of the business enterprise to ensure that efforts are geared towards achieving the goals and objectives of the establishment. Therefore, an entrepreneur who lacks requisite competencies in either of these key areas is everything but effective and will definitely not last.

Officers of employment generation agencies in this study are senior staff of the two agencies set up by the Federal Government of Nigeria to generate employment for unemployed citizens, namely; the National Directorate of Employment (NDE) and the National Poverty Eradication Program (NAPEP). These agencies have offices in all states throughout the federation and engage different agencies to train people on entrepreneurship after which loans are given to them to set up their own business enterprises.

### **Problem of the study**

Waziri (2004) observed that the private sector in Nigeria is not contributing significantly to national economic and industrial development as expected by creating employment opportunities which will reduce unemployment and poverty because of a myriad of managerial incompetence.

Ezenwafor (2010) further posited that the frequent collapse of small, medium and large scale enterprises in Nigeria is sufficient proof that practicing entrepreneurs in the country lack relevant competencies for effective and successful entrepreneurship. To address this problem, it is imperative that a study of this nature be conducted involving both trainers and officers of employment generation agencies who, from experience, should be able to identify competencies entrepreneurs require to achieve success in their endeavours.

A broader study of this nature should essentially cover several relevant competency areas but this study focused on marketing and management competencies because they are widely regarded as key areas where deficiency will be fatal for any entrepreneur.

## **Significance of the study**

Findings of the study will be beneficial to practicing and prospective entrepreneurs as it will highlight the necessity of competencies in the two areas and propel them to pursue acquisition of necessary marketing and management competencies for the survival and success of their enterprises. The findings will equally benefit tertiary institutions and other agencies that offer entrepreneurship training by highlighting what competencies they should emphasize and how to ensure that their students/trainees acquire them in order to succeed in their entrepreneurial endeavours on graduation. This will effectively cure the malaise in the Nigerian private sector for the benefit of the citizens, the government and the nation.

## **Research Questions**

The following research questions guided the study:

1. What are the marketing competencies required for successful entrepreneurship in south-east Nigeria?
2. What are the management competencies required for successful entrepreneurship in south-east Nigeria?

## **Hypotheses**

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

1. There is no significant difference in the mean ratings of the respondents from the two employment generation agencies (NDE/NAPEP) on the marketing competencies required for successful entrepreneurship in south-east Nigeria..
2. Respondents from the two employment generation agencies (NDE/NAPEP) do not differ significantly in their mean ratings on the management competencies required for successful entrepreneurship in south-east Nigeria.
3. There is no significant difference between the mean ratings of respondents from the five states on marketing competencies required for successful entrepreneurship in south-east Nigeria.
4. There is no significant difference between mean ratings of respondents from the five states on management competencies required for successful entrepreneurship in south-east Nigeria.

## Method

Descriptive survey design was adopted for the study since it was concerned with exploring the opinions of a given population on existing conditions by the use of a questionnaire as recommended by Maduekwe (2011) and Uzoagulu (2011).

The study was conducted in the south east zone of Nigeria covering Abia, Anambra, Ebonyi, Enugu and Imo States. The people of the area are very industrious and enterprising. Population of the study comprised 1624 senior staff of NDE and NAPEP and the managers of their training agencies in the area of the study. Stratification based on states was the technique used to draw a sample of 1299 consisting of 80 percent of the population from each state.

Questionnaire was the instrument used for data collection. The questionnaire was validated by three experts in business education and measurement and evaluation from the Faculty of Education, Nnamdi Azikiwe University, Awka. The questionnaire contained 25 items in three sections of A to C. Section A contained two items on respondent's personal data while sections B and C contained 8 and 15 items on marketing competencies and management competencies respectively.

The instrument had five response options of very highly required (VHR = 5 points) highly required (HR = 4 points), moderately required (MR = 3 points), lowly required (LR = 2 points) and very lowly required (VLR = 1 point). To establish the reliability of the instrument, copies were administered on 25 officers of the employment generation and training agencies in Delta State and Cronbach alpha was used to analyse the data to obtain reliability coefficients of 0.85 and 0.88 for sections B and C of the instrument.

The high reliability coefficients obtained indicated that the instrument was highly reliable for the study as recommended by Radhakrishna (2007) and LoBiondo-Wood and Haber (2013) that for a research instrument to be considered reliable, a reliability coefficient of 0.70 or above is necessary.

The instrument was administered to the study sample personally by the researchers with the help of 10 tutored research assistants and 1287 copies (99 percent) were retrieved and used for the study. The arithmetic mean was used to analyse data in respect of the research questions while the inferential statistics of z-test and analysis of variance (ANOVA) were used to test hypotheses 1 – 2 and 3 – 4 respectively at 0.05 level of significance. Item and cluster means were used in taking decisions on the extent each competency was required and to answer the research questions based on real limit of numbers. A null hypothesis was upheld where the calculated z or f value was less

than the critical z or f value as it means that there is no significant difference in respondents' mean ratings otherwise the hypothesis was rejected.

## Results

**Table 1:** Mean ratings of respondents on the extent marketing competencies are required for successful entrepreneurship in south-east Nigeria

S/No	Marketing Competencies	Mean	Remarks
1	Knowledge of market segmentation	4.53	VHR
2	Ability to determine the common needs of customers	4.10	HR
3	Ability to avoiding overstocking and stock out of materials	4.27	HR
4	Ability to analyse demand and supply situations	4.41	HR
5	Ability to carry out effective marketing research	4.33	HR
6	Ability to determine price of products	4.11	HR
7	Knowledge of effective channels of distribution	4.13	HR
8	Knowledge of how to motivate salesman	4.13	HR
	Cluster Mean	4.25	HR

Data in Table 1 reveal that the respondents rated the first item with mean rating of 4.53 as very highly required and the seven others with mean ratings between 4.10 and 4.41 as highly required for successful entrepreneurship. The cluster mean of 4.25 shows that the respondents rated marketing competencies as highly required for successful entrepreneurship in the area of the study.

**Table 2:** Mean rating of respondents on the extent management competencies are required for successful entrepreneurship in south-east Nigeria

S/N	Management Competencies	Mean	Remarks
1	Ability to set appropriate business goal	4.86	VHR
2	Ability to plan effectively for goal attainment	4.59	VHR
3	Ability to organize human and material resources for goal attainment	4.57	VHR
4	Acquisition of supervisory skills	4.32	HR
5	Ability to deal with failure	4.40	HR
6	Ability to negotiate effectively	4.21	HR
7	Ability to seek opportunities in change and respond to changes in business world	4.13	HR
8	Ability to study option and make decision	4.58	VHR
9	Ability to plan and research	4.58	VHR

10	Ability to identify and withstand competition	4.23	HR
11	Ability to manage cash flow	4.24	HR
12	Ability to manage time to meet job scheduled	4.22	HR
13	Ability to determine employee training and development needs	4.08	HR
14	Ability to lead, attract and motivate workers	4.57	VHR
15	Ability to take moderate calculated risk	4.20	HR
	Cluster mean	4.38	HR

Data in Table 2 reveal that the respondents rated six of the listed management competencies with mean scores over 4.50 as very highly required and nine with mean ratings ranging from 4.20 to 4.40 as highly required. The cluster mean of 4.38 show that the respondents rated management competencies as highly required for successful entrepreneurship in south-east Nigeria.

**Table 3:** z-test result on the mean ratings between respondents from NDE and NAPEP on marketing competencies required for effective entrepreneurship

Source of Variation	N	Mean	Sd	df	Cal. z	Crit. z	P≥0.05
NDE	638	34.95	3.74	1285	8.87	1.96	S
NAPEP	649	33.10	3.76				

Table 3 shows that at 0.05 level of significance and 1285 degree of freedom, the calculated z value of 8.87 is greater than the critical z value of 1.96. This means that there is significant difference in the mean ratings of the agents of NDE and NAPEP on the marketing competencies required successful entrepreneurship in south-east Nigeria. Therefore, null hypothesis was rejected.

**Table 4:** z-test result on the mean ratings between respondents from NDE and NAPEP on management competencies required for successful entrepreneurship in south-east Nigeria

Source of Variation	N	Mean	Sd	df	Cal. z	Crit. z	P≥0.05
NDE	638	66.54	5.39	1285	5.21	1.96	S
NAPEP	649	65.04	4.93				

Table 4 shows that at 0.05 level of significance and 1285 degree of freedom, the calculated z value of 5.21 is greater than the critical z value of 1.96. This means that there is significant difference in the mean ratings of the agents of NDE and NAPEP on



management competencies required for successful entrepreneurship in south-east Nigeria. Therefore, the null hypothesis was rejected.

**Table 5:** ANOVA summary on the mean ratings between respondents from the five states on marketing competencies required for successful entrepreneurship in south-east Nigeria

Source of Variation	SS	df	MS	F-calc	F-crit	P≥0.05
Between Group	1694.88	4	432.72			
Within Group	17497.71	1282	13.65	31.05	2.37	S
Total	19192.59	1286				

Table 5 shows that at 0.05 level of significance, 4 degree of freedom numerator and 1282 df denominator, the calculated F-value of 31.5 is greater than the critical F value of 2.37. This means that there is significant difference in the mean scores of the agents from the five states in the area of study on the marketing competencies required for successful entrepreneurship. The null hypothesis was, therefore rejected.

**Table 6:** ANOVA summary on the mean rating between respondents from the five states on management competencies required for successful entrepreneurship in south-east Nigeria

Source of Variation	SS	df	MS	Cal.F	Crit. F	P≥0.05
Between Group	4298.17	4	1074.54			
Within Group	30673.48	1282	23.93	44.91	2.37	S
Total	3471.65	1286				

Data in Table 6 show that at 0.05 level of significance, 4 degree of freedom numerator and 1282 degree of freedom denominator, the calculated F value of 44.91 is greater than the critical F value of 2.37. This means that there is significant difference in the mean ratings of the agents from the five states in the area on the management competencies required for successful entrepreneurship. Therefore, the null hypothesis was rejected.

## Discussion

The findings of the study show that the agents of NDE and NAPEP rated marketing and management competencies as highly required for successful entrepreneurship in south-east Nigeria. The findings agree with Anyakaoha (1995), Ezenwafor (2010) and Ezenwafor (2014) who affirmed that successful entrepreneurship requires competencies in the key areas of marketing and management. Ezenwafor highlighted that the reason for this is the fact that to be successful, an entrepreneur requires ability to set

appropriate business goals, plan for goal attainment, organize resources and implement plans, among others. These support the views of Onwuchekwa (1998) who stressed that entrepreneurs require managerial competencies because they also play the role of managers since they are responsible for the attainment of their organizational goals and objectives.

Findings of this study also agree with Akinola (2001) who stated that one of the problems facing Nigerian entrepreneurs is lack of managerial skills or competence and Ojula (2003) who argued that lack of management competencies is one of the causes of failure of small scale businesses in Nigeria. The importance of managerial competencies in entrepreneurship is justified by the various roles the entrepreneur has to play in his organization covering planning, organizing, leading and controlling resources. Findings of the study clearly show that entrepreneurs highly need the ability to determine common needs of the customers and secure a reasonable grip on the market among other marketing competencies. This is in line with the recommendation of Kolter (1999) that entrepreneurs require marketing competencies to be able to generate and facilitate exchange of anything intended to satisfy human needs or wants. Okoye and Ndubuisi (2004) and Sabo (2006) affirmed that sales and marketing competencies are two essential competency areas entrepreneurs should have before embarking on any business.

The findings also show significant difference in the mean ratings of the respondents on marketing and management competences required for successful entrepreneurship based on agency and state. The reasons for this are not immediately obvious but the researchers feel that the situation could affect the quality of training by the agencies in different states and as well negatively affect the entrepreneurial activities of the trainees in the zone.

## **Conclusions**

Based on the findings of this study, the researchers conclude that acquisition of relevant marketing and management competencies is highly required by practicing and prospective entrepreneurs in order to achieve success and reduce the mortality rate of entrepreneurship businesses in the area. Furthermore, youths should undergo training as provided by NDE, NAPEP and other employment generation agencies to acquire needed competencies as pre-requisite for grant of loans to entrepreneurial ventures to ensure that the money is not wasted.

## Recommendations

Based on the findings and conclusion of the study, the researchers recommend that:

1. Trainers of various employment generation agencies should be required to adequately possess relevant competencies for effective entrepreneurship training. This will help in no small measure in reducing the rate of failed and failing entrepreneurs in the Nigerian society.
2. Teachers of business and technical education should make it a point of study to adequately inculcate necessary competencies in their students for successful entrepreneurial activities on graduation.
3. Youths in the area and other parts of the country should go through training in any of the agencies before embarking on entrepreneurial ventures in order to achieve success.
4. Government employment generation agencies should enlighten youths on available training opportunities and their roles in employment generation in the country.
5. Government should sponsor radio and television campaigns to create awareness on the roles of NDE and NAPEP for the benefit of unemployed youths and the general public.

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