

STIMULATING ENTREPRENEURSHIP IN EDUCATIONAL INSTITUTIONS IN NIGERIA

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Abstract

The unprecedented increase in the number of unemployed graduates from tertiary institutions in Nigeria is alarming and calls for concern. Entrepreneurship is regarded as a veritable tool necessary to address this socio-economic problem. Entrepreneurship in education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. This paper examines the emergence of entrepreneurship and attempts to transfer the learning public sector entrepreneurship into an education context. This paper is a theoretical discourse and utilizes basically secondary data. The paper found that entrepreneurship is a learnable process that can be taught, nurtured, supported and enhanced through education and training. It concluded that entrepreneurship is worthy of study by students of all disciplines and managers of educational institutions. The paper recommended, among others, the need to motivate and inspire educational institutions in Nigeria to plan and establish training in entrepreneurship.

Keywords: Stimulating, Entrepreneurship, Educational. Institutions

Introduction

Education in Nigeria has its origin from the colonial period. The education policy was basically directed towards producing manpower for the colonial masters to utilize in the effective administration of Nigeria colony and protectorates. The aim of the policy was to turn-out Nigerians who could read and write and act as clerks, interpreters, inspectors (Garba, 2010) and perform other menial responsibilities. They were not imparted with entrepreneurial or professional skills to establish and manage their own business ventures. The industrial policy established immediately after independence in Nigeria placed emphasis and concentrated attention on establishing big companies (Aladekomo, 2004) instead of developing the small scale sector of the economy. This negligence affected the growth of

entrepreneurship considered as a driver of economic development at the micro level in Nigeria.

Realizing the contribution of the small and medium scale businesses to the economy, the government in Nigeria focused attention on the sector in the mid-70s and 80s. Thus, the government established some centres and institutions such as the Nigeria Agricultural and Cooperative Bank (NACB), Nigeria Bank for Commerce and Industries (NBCI), Small-Scale Industry Scheme (SSIS), Community Bank (CB), People's Bank (PB), National Directorate of Employment (NDE), National Economic Reconstruction Fund (NERFUND) and Directorate of Foods, Roads and Rural Infrastructure (DFRI) to support the activities of entrepreneurs in Nigeria.

There is a broad consensus that the integration of entrepreneurial thinking and practice in education could be of importance to the nation's future and form. The entrepreneur is the centre of an integrated model of economic development. The entrepreneur is an innovator who combines the introduction of a new product, opening of a new market, conquest of new sources of materials and the organization of new industry. Schumpeter (1947) in Sadler (2001) declares that to study the entrepreneur is to study the central figure in modern economic history.

Educational institutions can promote or constrain innovative behaviour. Opportunities for the emergence of entrepreneurship can be enhanced through structures and practices existing within the educational sector. The emergence of entrepreneurship as a management tool in education, according to Sadler (2001), has been often misunderstood. Entrepreneurship has been viewed with either scepticism or hostility (Grigg, 1996) and associated with operating like a business and efforts to do "more with less" (Sadler, 2001). As Holcombe (2012) notes, entrepreneurial action requires that a profit opportunity exists; that someone is alert enough to spot the opportunity and recognize it; and that the individual is willing to act on the opportunity once it is spotted.

Entrepreneurship is, thus, more than being merely enterprising and business like. It presupposes that entrepreneurialism can provide a tool to align modern and traditional education values. This paper examines the emergence of entrepreneurship and attempts to transfer the learning public sector entrepreneurship into an education context. The paper is a theoretical discourse and utilizes basically secondary data.

Statement of the problem

Nigeria is blessed with abundant mineral, agricultural and human resources. In spite of this enormous wealth, the standard of living in the country is very low with the average Nigerian suffering in abject poverty. This derived from the education policy which was basically directed towards producing manpower for the colonial masters. In response to the socio-

economic problems confronting the nation, it became apparent to discover and pursue the kind of education that will ginger the development of the nation. How the educational system can be refocused to accommodate the socio-economic realities confronting the nation requires investigation.

The industrial policy established immediately after independence also neglected the issue of developing the small scale sector of the economy. As Aladekomo (2004) noted, it placed emphasis and concentrated attention on establishing big companies. This negligence affected the growth of entrepreneurship at the micro level in Nigeria. Realizing the contribution of small and medium scale businesses to the economy, the government focused attention on the sector in the mid-70s and 80s by establishing some centres and institutions. Nevertheless, the issue of unemployment poses a daunting challenge to the government in Nigeria.

The unprecedented increase in the number of unemployed graduates from tertiary institutions in Nigeria is alarming. This demands diversifying the economy and encouraging practical acquisition of skills through inculcating the spirit of self-reliance to students in all higher institutions in Nigeria. This paper, therefore, examines how entrepreneurship education can be stimulated in educational institutions in Nigeria.

Literature Review

Nigeria is undoubtedly blessed with probably the most dynamic and innovative population in the continent of Africa. The country produces the largest number of educated men and women in Black Africa (Alabi, 2009; Koroma, 2010). However, the country is confronted with social, economic and political challenges. The unprecedented increase in the number of unemployed graduates from tertiary institutions is alarming and requires drastic action. These challenges notwithstanding, theories of economic development suggest that such unfavourable conditions engender rapid growth provided the available resources are competently harnessed and utilized for the production of goods and services. In a competitive economy, this is the role of the entrepreneur. The entrepreneur combines the factors of production – land, labour and capital – in such a way as to effectively produce tangible products of value. The art of concentrating, controlling, planning and directing the other factors of production is entrepreneurship.

The word “entrepreneurship” derives from the French verb “entreprendre”, which means “to undertake” (Jennings, 1994:42). Entrepreneurship is said to have originated from economics and associated with managerial aspects of enterprises, business development and business management (Filion, 1997). Schumpeter (1967) linked entrepreneurship with innovation and saw the entrepreneur as creating new combinations of production. In his view, the impetus for the economic system came from men

of courage, men who risked their fortunes to implement new ideas, who dared to innovate, to experiment and to expand.

Stevenson et al (1985) define entrepreneurship as the process of using innovation to create value by bringing together a unique bundle of resources to exploit an opportunity. Williams (2011:31) corroborates this definition as he states that entrepreneurship is “a process where individuals seek to use their talents, efforts and resources to create and/or grow ventures that capitalize on business opportunities and thereby create value.” The value to be created may be financial, educational, spiritual, communal or some other value depending upon the goals and ambitions of the particular organization. In most instances, a person’s prior work experience is the most important factor shaping the type of entrepreneur he/she is likely to become.

Inegbenobor (1989) sees entrepreneurship as the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully. Entrepreneurship is the act of being an entrepreneur. This means one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods. The concept of entrepreneurship deals with several activities concerned with the establishment and operation of business enterprises. These activities include identification of investment opportunities, decision-making, promotion and establishment of business enterprise, aggregation of scarce resources required for production and distribution, organization and management of human and material resources for the attainment of enterprise objectives, risk bearing and innovation.

Entrepreneurs operate in a dynamic environment and must adapt to the changing needs and wants of consumers. According to Filion (1997), entrepreneurs are products of their environment. Thus, entrepreneurs can be viewed as a regional, temporal and strategic phenomenon which alters according to its operating environment (Russel, 1995). The question is: How does entrepreneurship relate to education?

Entrepreneurship in Education

The term ‘entrepreneurship’ is usually not associated to education. Its history is, however, connected to the content of education and qualification. Entrepreneurship in education has a broad definition which includes economic, social and cultural factors. Entrepreneurship in education is based on a dynamic and social process where individuals, alone or in collaboration, identify opportunities for innovation and act upon these by transferring ideas into practical and targeted activities, whether in social, cultural or economic context (Roe Odegard, 2004).

Entrepreneurship in education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. The objective includes development both of personal

qualities and attitudes and formal knowledge and skills of beneficiaries. The primary goal of entrepreneurship in education and training, according to Roe Odegard (2004), is to strengthen the individual's ability to see and exploit opportunities in an economic, social and cultural context. The role of the education system is, thus, to stimulate attitudes and behaviour that promote the capacity for collaboration, creativity and innovation in children and young people. They should be encouraged to believe in their own creative values, developing workplaces and taking responsibility in their local community.

Entrepreneurship in education is a lifelong learning process. It should start as early as elementary school and progress through all levels of education, including adult education. Roe Odegard (2004) states that the Norwegian strategy for entrepreneurship in education comprises a plan that involves the entire educational career from primary school to college and university, including teacher training. This requires that teachers build appropriate objectives, learning activities and assessments for the target audience. Students should have progressively more challenging educational activities, experiences that will enable them to develop the insight needed to discover and create entrepreneurial opportunities; and the expertise to successfully start and manage their own businesses to take advantage of these opportunities (Entrepreneurship, 2011).

Entrepreneurship education focuses on developing understanding and capacity for pursuit of entrepreneurial behaviours, skills and attributes in widely different contexts. It is not the exclusive preserve of the high-flying growth-seeking business person. The capability for acquiring and demonstrating entrepreneurial behaviours, skills and attributes can be learned, developed and practiced. It is, therefore, necessary to expose all students to entrepreneurship education which can be effectively stimulated in schools.

Stimulating Entrepreneurship

Williams (2011) asserts that entrepreneurship is a learnable process that can be taught, nurtured, supported and enhanced through various types of education and training. Drucker (1985) adds that entrepreneurial process involves a systematic search for and analysis of opportunities which have the potential to generate innovation. These opportunities can be transformed into a 'new-value' within the dynamic bundle of broad public enterprise and, inevitably, educational objectives. The most significant factors which can foster entrepreneurship are macro environment, structure, culture, size, rewards and sanctions, centralization of decision-making, specialization, performance objectives and resources.

Slevin and Covin (1990) state that corporate entrepreneurship can be incubated through hostile external environments exemplified by intense

competition, harsh business climates, precarious industry settings and a relatively lack of exploitable opportunities. Contemporary educational institutions experience these attributes of the external environment. They also operate within volatile components of the environment such as Internet based learning, competition and alliances, globalization and technology which propel entrepreneurship.

Entrepreneurship is stimulated by organic, adaptable, openly communicating, consensual, loosely controlled, decentralized and flexible structures (Jennings, 1994). Sadler (1999) agrees with Jennings by stating that entrepreneurship is promoted through stimulating flexible and organic clusters within hierarchical structures. This implies that the autonomy traditionally enjoyed in educational faculties and schools is an ingredient required to foster entrepreneurship.

The effective management of corporate entrepreneurship involves managing a culture which includes all staff as self perceived intrapreneurs (Legge and Hindle, 1997). Corporate entrepreneurship can be fostered through establishing policies and programs to develop an entrepreneurial spirit driven by a managerial vision directed towards opportunities rather than problems (Saxena, 1991).

The education sector should develop an entrepreneurial culture with various innovative alliances and attempt to deal with new technology and globalization. The Chisholm Institute of Technical and Further Education, Melbourne, Australia, for instance, has implemented a system or “risk cards” which requires each unit within the institution to scan for environmental opportunities and, in a planned way, reach an agreement with management whether to pursue the project incorporating the risks. The Institute requires staff to pursue the process as a mandatory component of the organization’s Performance Management System (Sadler, 2001).

Jennings (1994) opines that smaller, flexible organizations are better entrepreneurship incubators than large, bureaucratic organizations. Large organizations generally use rigid rules and procedures to administer routine tasks which stifle innovative entrepreneurial activities. Saxena (1991) observes that size per se is not an obstacle to entrepreneurship but that bureaucracies and conservatism traditionally associated with larger organizations were the real impediments. Liebcap (1986) contends that organization size has an incremental impact upon entrepreneurship. Sadler (1999) corroborates this by stating that there is a positive correlation between size and planned entrepreneurship but small organizations were more readily able to respond to spontaneous or “groped” innovation.

Availability and control of resources promote entrepreneurship. Large organizations which have access to greater resources are more entrepreneurial than small organizations (Sadler, 2001). However, the

flexibility of small organizations in quicker decision-making coupled with comprehensive planning generates innovation and, consequently, entrepreneurship.

Decision-making in entrepreneurship organizations tends to be participative. The dispensed power fosters many sub-coalitions that support innovative activity. Entrepreneurial organizations adopt participative management by involving both management and staff in the development of enterprise objectives. Clearly defined, understandable and valuable objectives encourage the pursuit of entrepreneurial conduct.

Firms with a high percentage of specialists tend to be more innovative. Miller and Friesen (1982) found a positive correlation between specialization and entrepreneurship. Entrepreneurial organizations base their decision-making more on personnel with specialized training. Sadler (1999) discovered that a mix of specialists and generalists is more likely to provide an optimal entrepreneurship incubator. Educational institutions are harbingers of, and breed, highly specialized personnel.

Entrepreneurial organizations tend not to penalize managers if risky projects fail (Jennings and Lumpkin, 1989). Pascale and Athos (1981) argue that innovative firms have a management that encourages risk-taking and develops processes that translate ideas into action. An environment that acknowledges and rewards success stimulates entrepreneurship. These issues generally enhance entrepreneurship, but how can entrepreneurship be promoted in educational institutions in Nigeria?

Promoting Entrepreneurship in Education

Entrepreneurship has been well accepted as a formal academic discipline. Williams (2011) state that more than 1,600 colleges and universities teach the subject in the US. Entrepreneurship can be encouraged, learned and put into practice. Entrepreneurship ideas and endeavours can emerge and be developed given the desire, the right opportunity and a conducive business climate.

Integrating entrepreneurship as a vital part of education and training is a critical factor in promoting entrepreneurship in educational institutions in Nigeria. Entrepreneurship must be seen as a critical objective in education and must be included in the instruction strategy. Entrepreneurship should be taught to students in all disciplines. Many business ideas emerge from non-business disciplines but are often ignored because students were not sufficiently educated in the knowledge and skills required.

Collaboration with the local community is a factor that should not be ignored in promoting entrepreneurship in educational institutions in Nigeria. Entrepreneurial skills and attitudes provide benefits to the society. Thus, schools, local businesses and the social sector must network together to provide adequate training in entrepreneurship. There is need for a close

cooperation and more contact between educational institutions and various stakeholders in the society to promote entrepreneurship.

To effectively promote entrepreneurship in educational institutions in Nigeria, teachers' competence must be carefully assessed. Teachers, as important role models, must possess requisite knowledge of entrepreneurship to be able to motivate students in developing a positive attitude toward entrepreneurship. Focusing on entrepreneurship in teacher training and providing courses in competence development to working teachers are critically important.

Attitudes of school owners and managers must be positively disposed towards promoting entrepreneurship in educational institutions in Nigeria. Giving educational institutions the legitimacy and motivation to work on entrepreneurship will promote entrepreneurship in schools. Entrepreneurship can also be promoted in education by focusing on entrepreneurship in curricula and management documents by school owners and building competence and insight among school managers.

Providing conducive or enabling environment for entrepreneurship to thrive will advance the skill in Nigerian educational system. The education environment is experiencing rapid evolution. The traditional models of education management are being eroded due to learning technologies and changes in student demands based on life-long learning precepts. Education providers can create an enabling environment which fosters entrepreneurship in a way which includes both the traditional values of education and the contemporary demands of providing post-secondary learning opportunities.

Entrepreneurship is a learnable process that can be taught, nurtured, supported and enhanced through education and training. The policies of government in Nigeria are, however, a barrier to the success of large-scale entrepreneurial success. As Entrepreneurship (2012) rightly observes, the government is plagued by corruption and greed and systematically ignores laws that are already in place to promote free enterprise. Nevertheless, entrepreneurial ideas and endeavours can emerge and be developed given the desire, the right opportunity and a conducive business climate or learning environment.

Conclusion and Recommendations

Entrepreneurs have been recognized as veritable engines of growth and development. Their catalytic role in business management and innovative ability is not in doubt. They search for and identify business opportunities, evaluate alternatives, choose which one to operate, take appropriate measures to create an organization and ensure its success.

Sadler (2001) observes that education institutions can promote or constrain entrepreneurship. Structures and practices exist within the sector which can create opportunities for the emergence of entrepreneurship.

Entrepreneurship is concerned with adding value and not just restricted to money. Entrepreneurship is worthy of study by managers of education institutions not necessarily because of the new focus which requires the generation of commercial funds. The traditional values of educational institutions, aligned with modern learning demands and technology, can be enhanced by stimulating and promoting entrepreneurial processes.

Considering the economic, social and cultural importance of entrepreneurship the paper makes the following recommendations:

- (i) Government should motivate and inspire educational institutions in Nigeria to plan and establish training in entrepreneurship in partnership with business organizations, private investors, state and local governments and other relevant stakeholders in the local environment.
- (ii) There is need to develop a curriculum that comprises developing the spirit and culture of entrepreneurship in the youth through their entire educational career. This should begin from primary school to college and university, including polytechnic/monotechnic and teacher training.
- (iii) The current system of education in Nigeria should be redefined and refocused to create and enhance the supply of entrepreneurship initiatives and activities. Educational institutions should become centres of training entrepreneurs rather than preparing and processing students for white collar jobs.
- (iv) Schools should create programs that help children develop empathy. Emotional learning is as important as cognitive learning. It is possible to teach children develop empathy. This will help them understand others better to build teams; and how they fit into the larger society.
- (v) Schools should create programs that would expose students to problems and help guide them through the process of constructing a solution. Such youth-initiated social problem solving should be celebrated.
- (vi) Entrepreneurship should be taught to students in all disciplines in educational institutions in Nigeria. Ideas which emerge from non-business disciplines can be garnered for investment aimed at economic growth and development. This will impart students with the required knowledge and entrepreneurial skills needed for self-reliance and sustenance.

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