
ENTREPRENEURIAL SKILLS REQUIRED BY SMALL-SCALE BUSINESS FOR SUSTAINABLE INNOVATIONS IN POST-CONFLICT RECOVERY IN BORNO STATE

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Abstract

The main purpose of this research was to examine the entrepreneurial capacities that small businesses need to sustain innovation and support post-conflict rebuilding in Borno State, Nigeria. More specifically, it assessed the financial management and record-keeping skills essential for small firms to remain innovative and recover from the disruptions caused by conflict. Additionally, the study explored ways for entrepreneurs to gain and strengthen these crucial abilities. Two main research questions guided the investigation. A descriptive survey design was employed, covering all 235 small business owners identified for the study, so no sampling was necessary. For deeper insights, a focus group discussion was also organized with thirty participants selected intentionally—ten from each of Borno State's three senatorial districts. Data were gathered using two main instruments: the Entrepreneurial Skills Structured Questionnaire (ESSQ) and a Focus Group Discussion Guide (FGDG). To ensure the reliability of the ESSQ, a pilot test was carried out with twenty small business owners in Yobe State. Of the questionnaires distributed, 187 were returned, giving a response rate of 79.9%, supported by two field assistants. The instrument's internal consistency was verified using Cronbach's alpha, which produced an overall score of 0.83. The findings indicated that all fifteen aspects of financial management were considered highly important for effective planning, with an average score of 3.48 ± 0.58 . The study also confirmed that record-keeping skills play a vital role, with mean scores of 3.33 ± 0.42 for smaller firms and 3.06 ± 0.31 for larger ones. Based on these outcomes, it was recommended that both governmental and non-governmental bodies should launch widespread training and awareness initiatives and provide experienced entrepreneurship mentors to help small business owners develop the necessary skills for sustainable innovation and long-term success.

Keywords: Entrepreneurial skills, Small Scale Business, Innovations, Conflict Recovery.

INTRODUCTION

Small enterprises are essential to stopping unemployment, ensuring self-employment, and ensuring independence, as seen by the rising rate of unemployment. Examples of the economic policies that the Nigerian government has continuously pursued to promote self-reliance and decrease poverty include programs like the National Directorate of Employment (NDE) and others that assist recent graduates in obtaining the funds as well as the skills they require to start their businesses. The Nigerian government has acknowledged this and changed its perspective. Ezeh (2011) defines entrepreneurship education as specialized instruction that

aids students in developing the ideas, talents, and managerial skills necessary for independence. The entrepreneur can be likened to the spark that ignites an engine, driving all forms of economic activity. Entrepreneurs are individuals who conceive a business idea, mobilize the necessary human, material, financial, and other resources to bring it to life, nurture its growth to employ others, and willingly shoulder significant personal, financial, and environmental risks, especially at the start-up phase. As noted by Anugwom (2002), an entrepreneur assumes a managerial role, coordinating, organizing, directing, and supervising business operations to meet set objectives. Within any country's private sector, entrepreneurs are indispensable drivers of economic growth and development. The practice of being an entrepreneur is termed entrepreneurship.

Osadi (2007) describes a small enterprise as a privately owned and run business established mainly to provide employment and generate income for the owner. Such businesses usually operate on a local scale, with capital invested by the owner who often doubles as the manager, and are relatively modest in size compared to major players within their industry. One key competence for entrepreneurs is the ability to manage financial records effectively. Olatunbosun (2006) explains financial management as the planning and handling of an organization's monetary resources. Securing funding for a private venture can be challenging, as lenders assess not just physical assets but also the entrepreneur's business acumen and competence. Sound financial record-keeping aids in projecting market trends and planning accordingly.

There is a growing awareness among organizations, both public and private, that efficient service delivery depends heavily on proper records management. Nonetheless, many small businesses and even farmers in Bali still undervalue systematic record-keeping, likely due to the absence of robust record management systems (Abdulkadir, 2011). This shortcoming often hampers their sustainability and growth. According to Musembe (2016), record-keeping has evolved to encompass the generation, gathering, organizing, storing, retrieving, interpreting, transmitting, transforming, and utilization of information — all aimed at ensuring data is accessible and usable when needed. Records managers apply these principles to maintain easy and effective access to information. Fregon (2015) emphasizes that developing record-keeping strategies, for instance in the marketing of balanite fruits and nuts, requires an appreciation of advancements in technology, highlighting how integral technological tools have become to modern records management.

Statement of Problem

Small businesses' lack of the necessary skills is ascribed to their insufficient knowledge and abilities for sustainable innovation in Borno State's post-conflict recovery. However, because of the Boko Haram crisis over the past 12 years, the national perspective plan has paid very little attention to the economy and sustainability of the war-torn community. In recent times, Nigeria has witnessed a widespread decline and, in some cases, complete disappearance of small businesses, largely due to a lack of sufficient knowledge and essential skills among their owners.

Purpose of the Study

The main purpose of this study was to determine the entrepreneurial skills required by Polytechnic graduates for running small-scale business enterprises. Specifically, the study sought to determine the skills required for:

1. financial management by a small-scale business for sustainable innovations.
2. record-keeping by small-scale businesses for sustainable innovations.

Research Questions

1. What are the entrepreneurial skills required in financial management by a small-scale business for sustainable innovations?
2. What are the record-keeping skills required in small-scale business for sustainable innovations?

LITERATURE REVIEW

Concept of Entrepreneurship/Entrepreneur.

Entrepreneurship is widely recognized as a cornerstone of economic growth, primarily because the majority of new jobs originate from small enterprises founded by innovative individuals who often cultivate them into larger ventures (Abdulkadir, 2011). Historically, the understanding of entrepreneurship has evolved considerably across various fields since the Middle Ages (Igbo, 2006).

While Abdulkadir (2011) characterizes an entrepreneur as an innovator, a foundational figure, or a technological pioneer, the concept has traditionally focused on the endeavors of individuals who undertake risks to establish successful businesses. More recently, the scope of

entrepreneurship has broadened, viewed as a dynamic process applicable to organizations of all types and sizes (Krueger, 2004). Krueger (2004) argues that creativity and entrepreneurship are not inherent qualities of a person, action, or product. Instead, evaluations of creativity are inherently social and dependent on specialized expertise within a specific domain. Consequently, for a business idea to be deemed creative, it must possess qualities of appropriateness, usefulness, and actionability. As Amabile (cited in Krueger, 2004) suggests, a truly creative business idea must impact how business is conducted, whether by enhancing an existing product or by introducing novel approaches to a process. Krueger (2004) further illuminates entrepreneurship through two key perspectives: the traits perspective and the processes/activities perspective. The traits perspective posits that entrepreneurs share a specific personality profile. Early research in entrepreneurship predominantly focused on identifying these inherent traits. However, from the 1980s onward, the academic focus shifted towards understanding what entrepreneurs do rather than simply what their character traits are (Kaufmann and Dant, cited in Krueger, 2004).

Within the trait's perspective, an entrepreneur is often perceived as a risk-taker, a leader, a motivator, and a skilled problem-solver. They are seen as individuals willing to make risky investments and possess an unusually low aversion to uncertainty (Kaufmann and Dant, cited in Krueger, 2004). Conversely, Krueger (2004) defines entrepreneurship from a process perspective as the act of generating revenue by combining novel, valuable, and unique resources within an uncertain or ambiguous environment. Essentially, entrepreneurship necessitates the capacity to launch a distinctive type of business.

Concept of Skill

Human beings navigate and thrive in life by developing skills, which are essentially fundamental abilities refined over time. We can assess the specific skills an individual needs and possesses by observing their performance and attitude in a work environment. In the workplace, skills represent the valuable contribution workers offer in exchange for compensation (Bodell et al., 1991). When an individual's skills (or aptitudes, which are groups of skills) meet expectations, both the employee and employer find satisfaction.

Maintaining this alignment between skills and job requirements can lead to promotion, retention, and extended tenure, ultimately boosting productivity (Adeyemo, 2003; Adeyemo, 2009). A person's skill isn't merely an innate talent; it's a quality of performance that must be cultivated through consistent training, dedicated practice, and practical experience. While

learning is central to skill acquisition, efficiency and economical execution are equally vital. Modern interpretations of skill highlight the adaptability of proficient individuals in achieving objectives under diverse circumstances and at various times. It's crucial to remember that while innate human capacities form the essential foundation, they alone are insufficient to produce skills. Instead, skills represent specific applications of these capacities in response to environmental demands, creating a functional system where the individual and their external situation interact (Adeyemo, 2009).

For aspiring entrepreneurs, a distinct set of abilities is paramount for success (Steinhoff and Burges, cited in Igberahaha, 2008). These competencies are often categorized as Entrepreneurship Knowledge, Attitude, Skills, and Ability (ASA). A skill, in this context, is a specific proficiency in acting well, typically honed through dedicated practice and education. Most skills, therefore, are acquired through consistent study and hands-on experience.

Entrepreneurial Skills

According to Kruger (2004), a person's total capital consists of economic, human, social, and cultural inputs. Firkin, as cited in Kruger (2004), explains that whether these forms of capital hold entrepreneurial value depends on the business type, the people involved, and the prevailing conditions. In other words, not every component of a person's total capital necessarily contributes to entrepreneurship. Firkin further emphasizes that when all these elements align appropriately, an individual's entrepreneurial capital can be harnessed to launch, grow, and sustain a business venture.

Methodology

Design of the Study

A descriptive survey was used for the study's research design. According to De Vaus and de Vaus (2013), the goal of descriptive survey research design is to gather information and describe the traits, attributes, or facts about a particular population using questionnaires, interviews, and observation as data collection tools.

Area of the Study

The study was conducted in Nigeria's Borno State. Borno State, which covers 72,609 square kilometers, is in the northeastern geopolitical zone of Nigeria. Borno State is made up of three senatorial zones: the Borno Central, North, and South Senatorial Districts. These zones are composed of twenty-seven local government areas (27). As a result, the research was

necessary to ascertain the entrepreneurial abilities that Nigerian small business owners in Borno State require.

Population for the Study

220 registered entrepreneurs and industrialists and 120 small-scale business owners made up the study's 340 population, which was gathered from the National Agricultural Land Development Authority, NALDA Borno State (2021), and the Cooperation Affairs Commission's Maiduguri branch. They were deemed appropriate to answer the survey. The National Agricultural Land Development Authority (NALDA) and the Cooperation Affairs Commission (CAC) Maiduguri branch provided these figures. State of Borno (2021).

Sample and Sampling Technique

A total of 370 participants formed the study sample, determined using the Taro Yamane formula, as outlined by Uzoagulu (2011) for finite populations. This sample included 20 agricultural extension officers and 350 entrepreneurs or industrialists. A simple random sampling method was employed, ensuring that every member of the population had an equal and independent probability of selection, thereby allowing the findings to be generalizable.

Data collection was carried out using a structured questionnaire comprising 20 items, which were developed from a review of existing literature on entrepreneurial skills and aligned with the study's research questions. Respondents rated each item using a five-point scale: Very Highly Required (VHR) = 5, Highly Required (HR) = 4, Averagely Required (AR) = 3, Slightly Required (SR) = 2, and Not Required (NR) = 1.

To ensure the instrument's face validity, three specialists in entrepreneurship from the Business Education Department at Ramat Polytechnic, Maiduguri, Borno State, reviewed the questionnaire. The collected data were analyzed using mean scores to address the research questions, while the t-test statistic was applied to test the results at a 0.05 level of significance. The statistical real limits of numbers were used as a basis for computing and interpreting the mean scores, as detailed below:

Very Highly Required	(VHR)	=	4.50 – 5.00
Highly Required	(HR)	=	3.50 – 4.49
Averagely Required	(AR)	=	2.50 – 3.49
Slightly Required	(SR)	=	1.50 – 2.49
Not Required	(NR)	=	1.00 – 1.49

Accordingly, for interpreting the research questions, mean scores falling within 4.50 to 5.00 were classified as Very Highly Required; scores between 3.50 and 4.49 were considered Highly Required; scores ranging from 2.50 to 3.49 were taken as Averagely Required; scores from 1.50 to 2.49 were viewed as Slightly Required; and any mean score between 1.00 and 1.49 was categorized as Not Required.

RESULTS

Table 1: Mean Ratings of Respondents on financial management skills required by small-scale for sustainable innovation in Borno State?

S/No	The Financial Management skill required for sustainable innovation by small-scale owners should be able to:	\bar{X}	SD	DEC
1	Ensure proper financial management and up to date financial transaction in the small-scale business	3.17	0.54	HR
2	Determine sources of funding of small-scale business	3.54	0.64	HR
3	records financial information property and systematically	3.15	0.71	HR
4	Determine sales and cash discounts	3.36	0.75	HR
5	Show knowledge of accounts received and paid items	3.49	0.59	HR
6	Prepare and interpret pay roll and other dedication	3.17	0.63	HR
7	Determine best method of financing (loans, owner capital, and self-help) of small-scale business	3.26	0.76	HR
8	Process loans from different sources	3.14	0.72	HR
9	Prepare final accounts to ascertain profit and loss	3.11	0.76	HR
10	Understand procedures for paying back loans borrowed to balanites fruits and nuts enterprises in time	3.14	0.81	HR

Note: \bar{X} = Mean, SD = Standard Deviation, Dec. = Decision, N = Number of respondents

The mean and standard deviation of respondents' responses regarding the financial management skills needed by small businesses in Borno State are displayed in Table 4. The mean for items 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 ranged from 3 to 3 points, indicating that all respondents agreed that the following financial management competencies are necessary for small businesses in Borno State: ensuring proper financial management and up-to-date financial transactions in the business; determining the sources of funding for small businesses; keeping accurate financial books; determining sales and cash discounts; demonstrating knowledge of accounts received and paid items; preparing and interpreting pay rolls and other dedications; determining the best method of financing (loans, owner capital, and self-help) for

small businesses; processing loans from various sources; creating final accounts to determine profit and loss; and understanding the processes for timely repayment of loans borrowed to small businesses.

Table 2: Mean Ratings of Respondents on Record-keeping Skills Required by Small-Scale for Sustainable Innovation

S/No	The record-keeping skill required for sustainable innovation by small-scale owners should be able to:	\bar{X}	SD	DEC
1	Identify appropriate types of record-keeping techniques	3.41	0.64	HR
2	Keeps a good t record of staff and their performance	3.43	0.68	HR
3	Apply Information and Communication Technology (ICT) to make records of the firm more accessible and usable	3.05	0.79	HR
4	Develop record-keeping solutions to the problem of misplacement of vital record in small scale business	3.24	0.74	HR
5	Enhance the access and use of records for quality services delivery	3.08	0.57	HR
6	Keep clear and accurate records of success achieved in the small scale business	3.27	0.69	HR
7	Ensure that records of financial statements of the firm is kept accurately	3.31	0.66	HR
8	Analyse the demand and supply of small scale business and record the trends	3.11	0.85	HR
9	Ensure quality control of information in the small scale business	3.21	0.83	HR
10	Continuously update current issues and developments in the database of the establishment	3.22	0.50	HR

Note: \bar{X} = Mean, SD = Standard Deviation, Dec. = Decision, N = Number of respondents

The mean and standard deviation of respondents' answers regarding the record-keeping skills needed by Borno State's small businesses are displayed in Table 5. The mean for items 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 ranged from 3.05 to 3.43, indicating that all respondents agreed that the following skills are necessary for small-scale businesses in Borno State: identifying appropriate record-keeping techniques; keeping good records of staff and their performance; applying information and communication technology (ICT) to make firm records more accessible and usable; developing record-keeping solutions to address the issue of vital records being misplaced; improving access and use of records for the delivery of quality services; maintaining clear and accurate records of success achieved in the business objective; ensuring that the firm's financial statements are kept accurately; analyzing small-scale business demand and supply and noting trends; and ensuring quality control.

Findings of the Study.

Drawing from the analysis and interpretation of the data, the study uncovered the following insights:

1. Small business owners demonstrated a strong need for sound entrepreneurial skills, particularly in financial management.
2. The findings indicated that financial management capabilities are crucial for the successful operation of small enterprises.
3. It was also identified that effective record-keeping skills are essential to support sustainable innovation and aid recovery efforts in Borno State after conflict.
4. Overall, the results highlight that proficiency in both financial management and record-keeping serves as a key foundation for ensuring sustainability and promoting innovation among owners of small businesses.

Discussion of Findings

Financial Management Skills Required by Small-scale Businesses for sustainable innovations in post-conflict recovery in Borno

The study's findings revealed that all ten identified aspects of financial management skills are crucial for small-scale businesses striving for sustainable innovation and effective post-conflict recovery in Borno State. This underscores the importance of sound financial management abilities not only for entrepreneurs but also for the resilience and growth of their enterprises. Supporting this view, Umeji and Obi (2014) emphasized that entrepreneurs must possess robust financial management competencies to successfully establish, operate, and sustain their own ventures. These competencies include maintaining accurate and up-to-date financial records, identifying viable funding sources, properly documenting financial transactions, managing sales and cash discounts, tracking receivables and payables, preparing and interpreting payroll and deductions, choosing appropriate financing methods (such as loans, owner's equity, or self-funding), processing loans from various lenders, compiling final accounts to assess profits or losses, and adhering to repayment schedules for borrowed funds. Mastery of these financial practices is vital for ensuring a business remains solvent, competitive, and capable of continuous innovation.

Records Keeping Skills Required by Small-scale Businesses for sustainable innovations in post-conflict recovery in Borno.

The study demonstrated that all ten record-keeping skills assessed are crucial for small-scale businesses seeking to foster sustainable innovation and aid post-conflict recovery efforts in Borno State. This clearly shows that effective record-keeping is an essential competency for both entrepreneurs and small business owners. Supporting this, Ezeani (2012) emphasized that graduates in business disciplines need solid management, marketing, and accounting skills to successfully set up and run their own ventures after completing their studies.

Strong record-keeping abilities equip business owners to choose appropriate techniques for organizing information, maintain detailed records of staff and monitor their performance, and leverage Information and Communication Technology (ICT) to make business data more accessible and dependable. Furthermore, these skills help address issues related to the loss of important documents, enhance access to records for better service quality, and ensure that achievements and milestones are accurately documented. Proper record-keeping also involves keeping precise financial statements, analyzing business demand and supply patterns, tracking market trends, upholding the accuracy and integrity of information, and regularly updating the enterprise's database with new and relevant information. Altogether, these competencies are seen as critical building blocks for sustaining small businesses and driving continuous innovation.

Conclusions

Large businesses in Nigeria are now divided into smaller businesses, and routine manual labor is being replaced by technology. It is important to draw attention to the fact that small businesses in Nigeria have been collapsing and going extinct in recent years, with an 80 percent failure rate within five to eight years of operation.

Recommendations

In light of the study's findings and conclusions, the following recommendations are put forward:

1. The government should develop and incorporate the identified entrepreneurial skills into practical training modules tailored for small-scale business owners, with the aim of strengthening entrepreneurship and driving sustainable economic development across Nigeria.

2. Relevant government bodies and agencies should put effective structures in place to guarantee consistent and timely in-service training for small-scale entrepreneurs. This will ensure that they continually upgrade their skills and knowledge, keeping pace with evolving business demands and fostering innovation within their enterprises.
3. Small-scale business owners in Borno State who are currently inactive or not fully engaged should be encouraged and supported to participate in training at skill acquisition centres. This will help them build practical entrepreneurial capabilities and empower them to become self-sufficient.
4. Additionally, the government should increase the frequency of seminars, workshops, and conferences specifically designed to equip small business owners with the necessary skills to sustain, expand, and creatively manage their businesses for long-term success.

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