



Analysis of the Impact of Entrepreneurship Education and Women Entrepreneurs in Family Businesses

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Abstract. Family businesses are one of the dominant entrepreneurial forces in today's global economy. Transfer ownership, intergenerational succession, leadership/ownership, has received great attention from academics and policymakers on family businesses but little research has been done to analyse the importance of entrepreneurial capabilities on their sustainability with reference to informal sector women. This research therefore explores the impact of entrepreneurial capabilities on informal sector women entrepreneurs in family businesses with a study locus in Plateau State. Using a baseline survey, structured questionnaire schedule was administered to obtain data from 300 women in the various informal sectors in Jos Metropolis. Data from the questionnaire was analysed using Pearson correlation analysis in establishing whether there are any verifiable relationships between women entrepreneurs in the informal sector that are educated or not or have entrepreneurial capabilities, namely, financial management, opportunity seeking, managerial skills, networking and innovative tendencies and family businesses growth and sustainability. The research yielded a mixed result; a positive and significant relationship between educated women and financial management, managerial skills and innovation tendencies existed but not networking and opportunity seeking. It also shows that there is a positive and significant relationship between non-educated women and managerial skills and innovation tendencies but not financial management, opportunity seeking and networking. Therefore, whether they are educated or not does not translate into higher business performance. The following recommendations were made; Government should create more

entrepreneurial centres that will inculcate women and not focus on youth alone, women should draw strength by operating jointly rather than individual and participate actively in business associations in order to acquire required skills among others.

Keywords: Entrepreneurship Education, Informal Sector Women Entrepreneurs, Family Businesses

1. Introduction

The growing involvement of women in family businesses as vital players in the economy either in the formal or informal sector have been identified by Aronoff (1998), Nmadu, Gowon and Joseph, (2016). In 1996 the majority of existing businesses had begun as family businesses, and 80% of all firms were still family owned or controlled (Lee, 2016). Women now hold majority ownership (51 percent or more) in one-quarter to one-third of all privately-held firms globally (National Women's Business Council, 2005). Women in Nigeria make up 73 million many, who according to Convention on Elimination of all forms of Discrimination against Women (CEDAW, 2018), Food and Agriculture Organisation, (2018) are strong participants in the informal sector that constitutes 75% - 80% of the economy. The informal sector is seen as the way of doing economic activities consisting of the following elements: a) easy entry into the economic activities; b) reliance on indigenous resources - finance and materials; c) it is a family owned enterprise d) small scale of operation; e) labour intensive - depending mainly on family labour and adopted technology; f) skills to operate the business are required outside the formal school system; g) there exists an unregulated and

competitive market International Labour Organisation, (2000).

Many women are found in this sector because informal work provides opportunities for women who have fewer options as they might be less educated or skilled Park, (2004). Their income-generating activities are considered secondary to their childcare and family responsibilities. Thus, their access to education and skills, ownership of property and efforts to improve productivity are generally given lower priority (ILO, 1997). Adelabu and Adepoju, (2017) also assert that the female education level in Nigeria is still very low due to lack of adequate skills and the inability to replicate 'traditional female skills' for which the market is saturated (Mayoux, 2001). Nwoye, (2017) further posit that the situation is attributed to factors such as low levels of education, lack of opportunities for training as well as too little financial and human capital. Entrepreneurship education is a carefully planned process that leads into the acquisition of entrepreneurial competencies. According to Osuala, (2004) education is a set of valuable skills needed by the entrepreneur to avoid future trial and errors which equip the learner with skills on decision making, acquisition of new ideas, methods of raising and maintaining conversations and establishing business relationships, and qualitative ability (computation and record keeping). This invariably shows that these informal sector women are naturally entrepreneurial as they handle risks and uncertainties in order to meet the challenges imposed on them by unequal access to economic resources and participation. Given the lack of education and skills, entrepreneurial capabilities may also be glaringly absent; and if they do not have the critical skills and knowledge to articulate their experiences and business knowledge into a cohesive action that will provide the impetus to propel their enterprises for sustainable growth and expansion, the need for entrepreneurial education becomes a necessity as the market place where these women entrepreneur operates has little tolerance for mistakes and incompetence.

This study set out to determine their entrepreneurship education known in this study as entrepreneurial capabilities. A model of entrepreneurial capabilities; financial management, opportunity seeking, managerial skills, networking and innovative tendencies is adopted. The issue of women entrepreneur in family businesses is represented in terms of whether these informal women entrepreneur are educated or not educated and how much entrepreneurial capability they have that will impact on their businesses growth, sustainability and

consequently economic growth. The hope is that women would be active participants in the economy by pulling themselves out informal to formal sector of the economy, grow and sustain their family businesses. The study is organised around this research question:

- Are there any verifiable relationships between whether women entrepreneurs in the informal sector are educated or not or have entrepreneurial capabilities, namely, financial management, opportunity seeking, managerial skills, networking and innovative tendencies and family businesses growth and sustainability?

2. Family Businesses and Entrepreneurship Education

Sexton and Bowman-Upton, (1991) assert that entrepreneurship is the start and heart of most family businesses and the phenomenon of an entrepreneurial family foster, subsidize and enhance the efforts of its members who engage in entrepreneurship. The "European Group of Family Enterprises" and the "Family Business Network" (2008), define family business as a company whose ownership and management are concentrated in one or more families, with at least one member of the family at the helm and control of the business and others are being groomed or considered for eventual leadership. Generally, it is a business governed and/or managed on a sustainable, potentially cross-generational, basis to shape and perhaps pursue the formal or implicit vision of the business held by members of the same family or a small number of families. Hence, one can say that family business is quite simply the "wider-lens" view of entrepreneurship as the initial business efforts of one or more family members grow and change over time. In fact, ILO, (2000) recognized the informal sector as a family owned enterprise that is managed mostly by women to generate income and meet family responsibility. Although largely unable to sustain and grow business or even move to the formal sector due to low level of education, lack of opportunities for training and skills.

Entrepreneurship is about learning the skill need of assume the risk of establishing a business, developing the winning strategies and executing them with all the vigour, persistence and passion needed to win any game according to Inegbenbor, (2006). National Directorate of Employment (NDE) (2009) in Onyebueke and Ochonogo (2002) define entrepreneurship as the art which involves recognizing a business opportunity, mobilizing

resources and persisting to exploit that opportunity. Inyang, (2009), define entrepreneurship as a creative process of organizing, managing an enterprise and assuming the risk involved in the enterprise. He also quoted Awodun, (2005) who adopts the same process approach to defining entrepreneurship as an act of recognizing opportunities in your environment, mobilizing resources to take advantage of such opportunities, ensuring the provision of new or improved goods and services to customers and obtaining profit in return for the risk to dare. Successful entrepreneurship requires the entrepreneur to possess certain managerial skills. These skills are the ability to conceptualize and plan effectively; ability to manage other individuals, ability to manage time effectively and to learn new techniques in handling business operations; and ability to adopt to change and to handle changes in their environment. Dutta and Crossan, (2015). Entrepreneurship is closely associated with innovation even Schumpeter regards entrepreneurial innovation in products and processes as the main engine during the change processes that involves development of new initiatives through discovery and exploitation of opportunities. The boundaries of entrepreneurship embrace an important attribute of the innovation process which eventually triggers an entrepreneurial event or performance. Bygrave and Hofer, (2001), Brazeal and Herbert, (1999). Paul, Ickis and Lewinski (1989), note that because entrepreneurs often play the dual role of risk taker and manager, it becomes necessary to train them in a special way by exposing them to management skills that will facilitate the execution of the functions of manager and risk taker.

Human capital theory posits that individuals with more or higher quality human capital achieve higher performance in executing relevant tasks (Becker, 1975). Human capital refers here to the knowledge and skills that assist people in successfully discovering and exploiting opportunities (Snell and Dean, 1992). The entrepreneurship education need is therefore not the time-honoured courses of typing, shorthand, and commerce rather it is the training in various aspects of business management such as bookkeeping, accounting, marketing, human resource management, and banking and finance starting with each group from the level at which they can properly appreciate what is communicated to them. Ubong, (2017). All stages in entrepreneurship are dependent on relevant experience, from the identification of opportunities to the execution of running a business. Entrepreneurial capabilities then, include those clusters of related knowledge, attitudes, and skills which an entrepreneur must acquire through managerial training and development to enable him

produce outstanding performance, and maximize profit, while managing a business venture or an enterprise. Quite often, less attention is paid to these critical success variables; rather attention is focused mainly on financial resources. Business or entrepreneurial failures are readily attributed to inadequacy of financial resources. The forgoing makes the entrepreneurial capabilities for women in Nigeria an essential ingredient for successful business growth and sustainability.

Entrepreneurship includes, for instance, planning, organising, analysing, communicating, doing, debriefing, evaluating and recording progress in learning. These set of management competences is relevant in private life for managing one's household etc. as well as for sustaining family business, and participation in society. Other important aspects of entrepreneurship that are obviously equally relevant in all three areas of life include, among others, identifying one's personal strengths and weaknesses, displaying pro-active behaviour, being curious and creative, understanding risk, responding positively to changes and the disposition to show initiatives. All of these are the elements which the study uses in determining entrepreneurship capabilities but particularly five variables; financial management, opportunity seeking, managerial skills, networking and innovation tendencies.

Intensive studies have been carried out on transfer ownership, intergenerational succession, leadership/ownership, and finance from academics and policy makers on family businesses. Racio, (2009), Vincente, (2009), but research on the importance of women entrepreneurial capabilities on family growth and sustainability is fragmentary especially at the informal sector.

It is the evidence of these that the friends, trade partners, banks and other sources of fund are waiting for. This brings the role of entrepreneurial capabilities for women in the informal sector to the fore front

3. Methodology

The study used the baseline survey and the structured questionnaire to obtain data from 300 women in the various informal sectors in Jos Metropolis who were randomly selected with replacement with the help of student's research assistance. In establishing their entrepreneurship capabilities, financial management (finance/record keeping, banking), opportunity seeking, networking, managerial skills and innovative tendencies were used. Data from the questionnaire was

summarized with simple percentages, cross tabulation and Pearson Correlation coefficient. The Pearson Correlation coefficient was used to correlate between educational level (educated and non-

educated) and key components identified above on entrepreneurial capabilities. Table 1 shows the response rates in different sectors and their education Level.

Type of Enterprise	Number of Respondent	Educated	Non-Educated	% of Respondent
Trade in foodstuffs	59	41	18	19.6
Trade in Manufactured Goods	52	36	16	17.3
Tailoring	46	32	14	15.3
Salon	48	33	15	16
Restuarant	36	25	11	12
Boutiques	33	23	10	11
Milling	15	11	4	5
Stone crushing	11	8	3	4
Total	300	201	9	100

Source: Field Survey, 2019

4. Results and Discussions

Table 2: Correlation between Entrepreneurial Capabilities and Education Level.

	Educated	Non-educated
Financial Management	.835**	.825*
Opportunity Seeking	.572	.584
Managerial Skills	.960**	.967**
Networking	.648	.667
Innovation Tendencies	.942**	.942**

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed). n=8

Table 2 shows the Pearson Correlations between the women’s entrepreneurial capabilities and their education level, which is used to verify the relationships between whether women entrepreneurs in the informal sector that educated or not or have entrepreneurial capabilities, namely, financial management, opportunity seeking, managerial skills, networking and innovative tendencies and family businesses growth and sustainability

The result shows that there is a positive and significant relationship between educated women and financial management, managerial skills and innovation tendencies but not networking and opportunity seeking. It also shows that there is a positive and significant correlation between non-educated women and managerial skills and innovation tendencies but not financial management, opportunity seeking and networking. Therefore, whether they are educated or not educated do not translate into higher business performance.

From information gathered through the open questions, most of these women want to increase their business performance (52%), they believe they can do this through better service delivery (customer satisfaction, meet customers’ needs, sell quality

wares, friendlier and interact more with customers), training (get current information, improve skills and learn new ways of doing business, know how to net worth & collaborate in the market place) and investment/saving (save more money to be able to buy equipments and separating business account from family account). Only 22.7% believe that finance & loan will help them increase their business performance. This shows that finance is not the main problem but entrepreneur competencies.

11.7% indicated that training had helped them succeed in business as they are able to deliver quality service, rely on accurate information and they kept learning. While 40% rely on their experiences and 51.3% of them do not how to succeed in business. That is why 88.5% are making themselves available for training with 42.3% indicating interest in business development services training, 39% in financial management training and 17% in basic training.

A large proportion (72.3%) acknowledged that their main hindrances to moving to formal sector, sustain and grow business are family demands, cultural, social and economic barriers (religion, tribalism, lack of infrastructure, high cost of transportation, power,

government disruption in market place, Jos crisis, thieves), lack business skills (quality service delivery, networking, record keeping, belonging to a business support services, how to preserve perishable goods, maintenance culture).

5. Conclusion and Recommendations

There is no doubt that the concept of entrepreneurship has shifted from that of business creation, planning and management to that of managing self, the social and economic environment as a life-long process and activity. Women are known to perform very well in the aspect of managing the self and social environment, but hardly survive in the economic sector due to many factors some of which include their low level of entrepreneurial capabilities even when they are educated. And as such most of the women:

- Don't know they are in business; they see the enterprise as a means of sustenance and survival.
- Don't know how to grow the business through feasibility studies and market projections.
- Have no knowledge of financial planning-costing, record keeping and setting financial goals, costing and cash flow separation profit from initial capital and mentoring
- Cannot coaching and mentoring others
- Do not networking and collaboration
- Lacks communication and good interpersonal relationship
- Cannot access and use of adequate and relative information related to business
- Lacks abilities, skills and expertise in certain business matter.

In these regard, the researcher made the following recommendations:

- The recent interventions we have are questionable as the focus more on youths hence, Government should create more entrepreneurial centres that will inculcate women and not focus on youth alone
- Women can draw strength by operating jointly rather than individual
- Training needs: separation of business account from personal account, participation in business associations in order to acquire required skills
- Government should develop linkages between micro-enterprise owners and relevant development/formal sector

- Government should create an enabling environment that will foster sustainable economic growth.

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