MANAGEMENT OF SMALL BUSINESS:-
A POSITIVE STEP TOWARDS GRADUATE SELF EMPLOYMENT
(A CASE STUDY OF NATIONAL DIRECTORATE OF EMPLOYMENT (NDE) KADUNA)

BY

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MBA PROJECT
SEPTEMBER, 1999

TITLE PAGE

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CONGO - ZARIA

SEPTEMBER, 1999

DECLARATION

I hereby declare that this research project is a result of my initiative and it has been written by myself. It is a record of my own research.

It has never been presented in any previous application for a higher degree to the best of my knowledge.

All other materials used has been duly acknowledged.

MRS S. N. MAJWAJA	[signature]	03/08/04
Name of Student	Signature	Date

CERTIFICATION

This project titled MANAGEMENT OF SMALL BUSINESS; A POSITIVE STEP TOWARDS GRADUATE SELF EMPLOYMENT (A CASE STUDY OF NATIONAL DIRECTORATE OF EMPLOYMENT (NDE) KADUNA) BY MRS SAUDATU N. MAIWADA has been read and approved as meeting the requirements of the Department of Business Administration, Ahmadu Bello University Congo Zaria for the award of Master Degree in Business Administration.

MAL. DALHATU BASHIR — 16/8/99

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DATE

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DATE

DEAN OF POSTGRADUATE SCHOOL — 6/8/04
DATE

CERTIFICATION

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INTERNAL EXAMINER DATE

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EXTERNAL EXAMINER DATE

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HEAD OF DEPARTMENT DATE

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DEAN OF POSTGRADUATE SCHOOL DATE

DEDICATION

To the Memories of my late Parents Alhaji Adamu Bako Dikko and Hajiya Hannatu A.B. Dikko who had instilled in me the zeal to learn and to keep on learning.

May their souls Rest in Perfect Peace, Amen.

ACKNOWLEDGEMENT

The researcher is most grateful to God the Beneficient, the Merciful for once again seeing me through another course successfully and for giving me the ability to complete this work.

Words cannot express enough my gratefulness to my beloved Husband Arc. Nuhu S. Maiwada for his unreserved support and encouragement. I am sincerely grateful for all he did to ensure this achievement, may God reward him with Aljanna Fiddausi.

My sincere appreciation also goes to my course Co-ordinator Malam Sani Abdullahi for his honest concern for the progress of all of us in the course. Sincerely, I appreciate the brotherly advise, honest interest and sincere guidance of my official supervisor Malam Imam Dalhat of the Department of Business Administration Ahmadu Bello University Congo Zaria. His patience and willingness to go through every piece of work presented to him made everything worthwhile.

I thank all the respondents in this research work, who despite their busy schedule found time and responded to the questions raised to enable me arrive at useful conclusions.

I also thank the management of the National Directorate of Employment for their co-operation.

To my friends and relations who assisted in the distribution and collection of questionnaires administered for this research work, I say a big thank you. Of special mention is the contribution and support of my brother Alhaji Inuwa A. Dikko throughout the period of this course. My sincere gratitude goes to him and to all that contributed in one way or another in the successful completion of this research work.

ABSTRACT

This research work is on the Management of Small Business as a Step Towards Graduate Self Employment.

The aim of the study is to discover whether Graduates hope to be self employed or not, and the effect of the course they studied in relation to their becoming good managers of a successful business enterprise.

To provide a solution to unemployment problem in the country, Government had set up a machinery to encourage self employment through the proliferation of small Business Enterprises, by the establishment of National Directorate of Employment and other agencies. However, the problem is still persisting due to lack of proper orientation and marketable skills. Graduate Unemployment which was hitherto not a problem during the early 60's and 80's has emerged and is growing out of proportion very rapidly. Generally, the unemployment problem, can be rightly attributed to the large turnout of primary and secondary school leavers who are unable to secure admission into higher institutions as well as the increasing number of graduates turned out by the country's Universities, Polytechnics and Colleges of Education and the complete absence of job openings in both public and private sectors. Such graduates roam the streets in search of unavailable jobs without any zeal to take advantage of the opportunities for self employment readily available in the informal sector of the economy.

Having looked at the above problem, the study revealed the following:

That our educational system emphasises paid employment rather than self employment.

Some of the courses studied in our tertiary institutions do not have relevance to possible future graduate self employment.

Also revealed is the interest of most graduates in self employment,

however, there is apprehension towards it due to the difficulties in the aquisition of capital.

As a result of these discoveries, the following recommendations were proffered.

(i) Our educational system should be reviewed to allow for the training of the under-graduate as job creators rather than as job seekers
- less emphasis on higher education and more emphasis and attention to vocational and technical education which will call for general review of our school's curriculum and syllabuses from primary up to tertiary institutions.

(ii) Specific attention should be given to the under-garduates towards the achievement of graduate self employment by ensuring that some aspect of business management is made compulsory to them, to academically prepare them for the task of managing a business on graduation if the need arises.
- government should encourage the teaming unemployed graduates by the provision of adequate credit facilities and the establishment of effective business advisory consultancy agency to advise and train.

(iii) The National Directorate of Employment (NDE) must be strengthened financially and operationally to properly tackle the graduate self employment ambition, while proper machinery should be put in place by the agency for compliance of agreed arrangement by beneficiaries and proper supervision.

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CHAPTER ONE
INTRODUCTION TO THE PROBLEM

1.1 Introduction

The attainment of an effective business enterprises in a developing economy like Nigeria undoubtedly rests on the success of the small business enterprise within the economy. History of world economies can attest to this, for instance the industrial revolution has its roots in cottage industries which acted as the propelling force for the European industrial take off. Similarly, China is now a world economic power because of such small business enterprises. Small businesses are usually more viable and cost effective apart from providing productive employment opportunity for the unemployed, provision of indegeneous technological development, utilization of local resources and increase in labour intensive productivity and income. The relatively low take off capital required is another attraction of small business enterprise. It is therefore the back bone of modern economy and a starting point for larger industries.

Nigeria is a fast growing nation, it has grown educationally to the extent that every year thousands of youths graduate from the nation's tertiary institutions as a result of tremendous growth of higher education with full time and sandwich students studying in Universities, Polytechnics and a number of Colleges of Education. Years back, graduates are employed by governments and companies with the design to progress them rapidly into senior management positions. The trend has since changed. It has been of most concern to employers, the number of graduates qualifying each year without the corresponding number of employment opportunities. Furthermore, the economic recession in the country had made it impossible for governments and organisations to fulfill their responsibility of providing employment to the needy, on the contrary workers are laid off for one reason or another with the economic recession being the prominent reason. New employment is therefore secured only for special cases, the effect of this is the thousands of unemployed graduates roaming the streets seeking for jobs that are hardly available.

The government having recognised fully the importance of small scale businesses as a tool for national development and as a possible solution to the unemployment problem established the National Directorate of Employment with the mandante to create employment opportunity to the teaming Nigerian unemployed youths and others, generally.

The organisation has worked towards the achievement of this goal for the past twelve years. The researcher is therefore interested in knowing the achievement of NDE, how are the small scale businesses which NDE assisted in establishing doing?

If successful what is the approach to an effective management employed, if not successful what are the managerial lapses and other issues that contributed and the lace of graduates in the whole set-up.

1.2 Statement of The Problem

1. By virtue of their orientation from the Secondary School to the tertiary level, students were made to believe that paid employment is better for them and it is waiting for them on graduation.
2. There is no provision in the system to the effect that what was learnt by the graduate at the tertiary level can be put to use by him/her as self employed. In essence, there is no planning for Education for any meaningful purpose in the future.
3. Graduates who establish themselves as self employed often encounter problems on the effective management of their businesses. This is because of lack of prior knowledge on how to manage small scale businesses.
4. Small business enterpreneurs find it difficult to obtain bank credit, and in most cases the lending and financial institutions do not cater for the special problems involved in small business finance as they do for the large firms.

1.3 Research Objectives

1. To discover within the findings, the most appropriate ways to train the under graduate on starting a small business and means of supporting them, once in business.
2. To discover managerial factors affecting growth or decline of infant small businesses.

1.4 Research Assumptions

i. It is assumed in this research work that many graduates want to be self employed but find it difficult because they cannot use what was learnt to achieve their objectives
ii. Most self employed personnel lack knowledge on effective management of small business
iii. The rate of job creation in Nigeria has been greatly exceeded by increases in labour supply
iv. Banking and credit structure make it more difficult for smaller entrepreneurs to obtain credit.
v. Self employment for graduates and other unemployed populace in Nigeria is desirable.

1.5 Research Hypothesis

i. Some courses offered in tertiary institutions don't have any relevance to the effective management of a self established small business enterprise.
ii. Women and very young Graduates will find it difficult to establish and sustain a small business enterprise.
iii. Trained Personnel on Business Management are more likely to establish a viable and successful businesses than the untrained.

1.6 Significance of the Study

Industrilisation is a key factor in the economic development of any nation. It offers prospects for enhancing the standard of living of the generality of the people, development of the economy and help the nation towards the achievement of its much needed self reliance objectives

The small business enterprises subsector plays a vital role towards the attainment of these needs. Their significant role has been identified by both the Federal and State Governments hence their commitments to using the small business as the pivot of our industrilisation as far back as the early seventies. It is therefore significant to make a study into the effective management of small businesses considering their direct role of enhancing the building of self sustaining economy, generation of employment opportunities and training future managers and entrepreneurs. This study shall relate to the problem of Graduate unemployment situation in Nigeria considering the fact that Graduates remain for years after their graduation without any means of earning a livelihood, probably relying only on friends and relations for sustenance.

This study will certainly provide a framework of preparing the under-graduate for self employment on graduation, how to sustain a business while ensuring its development and growth.

The study will be relevant to Education policy makers who may find it necessary to evolve means of inculcating in our students, the idea, importance and gains of establishing a business of their own on graduation while de-emphasising the notion that Graduates must be formally employed.

The under-graduates and secondary school leavers will find this study interesting as an encouragement to them to plan properly on what they want to do on graduation apart from paid employment and to take up a course of study relevant to their plan.

More small businesses have disintegrated for lack of capital than for any other reasons[1]. The study in its effort to reveal the proper way to manage a

small business will assist those that have the intention to start their own business, how to start, how to get the capital and how to be successful.

The study may be relevant to the National Directorate of Employment (NDE) who may find it necessary to evolve a more prudent programme towards Graduate self Employment thereby drawing more and more Graduates to embrace the programme as it is through the Graduate self employment that the much aspired industrial and technological independence will be achieved.

1.7 Scope of the Study

The study sought the opinion of graduates who are self employed. They are randomly selected regardless of the institution or state they graduated from. The study however, sampled the opinion of some Graduates and under-graduates on the issue at stake within Kaduna State only.

The National Directorate of Employment (Kaduna State) was chosen for this study from among various organisations because it is one among such organisations that had stood the test of time. It attracts the attention of the public particularly the unemployed youth including our Graduates.

1.8 Limitation of the Study

i. Lack of Co-operation

It is an open secret that most small scale business owners do not attach any importance to research work, they even view such researches as a threat to the existence of their businesses. There was therefore, difficulty in trying to find out about the success or failures of their businesses.

ii. Time Constraint

This research should have been completed months ago but for the fact that the researcher had to combine the serious work of conducting the research and the tedious demanding work of the

office to the extent that the reseacher has to take part of her annual leave to complete this research.

iii. Financial Constraint

The researcher was financially handicapped during the process of conducting this research. This does not have much to do with the cost of materials but with the cost of transportation. The current fuel pump price hike and even the lack of it, which resulted in long queue and high cost of transportation limited the number of small business enterprises that the researcher intended to contact;

1.9 Definition of Terms

i.	Management	The act of administering, control and successful handling of a business.
ii.	Business	Any daily activity set up for the aim of making profit
iii.	Enterprise	Courage or willingness to engage in business to overcome some difficulties in a particular area.
iv.	Graduate	Any student that had undertaken a course of study in any of the tertiary institution such as Universities, Polytechnics, Colleges of Education etc and is a holder of a degree or its equivalent.
v.	Under-graduate	Students currently undertaking a course of study in any of the tertiary institution and is yet to obtain a degree or its equivalent.
vi.	Self Employed	A state of working for onself in return for money or for gaining profit.
vii.	Unemployment	"Having no paid employment" (Collins Gem English Dictionary (1985:565)

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

Going through the Brief History of the National Directorate of Employment (NDE) one will understand that their various programmes involve graduates, non-graduates, such as secondary school leavers and trade school leavers, untrained youths, retired personnel and the disabled. It is easy to train the secondary school leaver and the disabled towards becoming self employed since their level of education or disability can rarely secure them any gainful paid employment. The situation is however, different for a Graduate.

Secondly, management of a business to ensure its success is also a very servious business, it requires serious training and dedication.

What is Management?

Cliff Bowman (1987 pg.17) opined that management can be broadly classified into two groups:

a) Those who are concerned with what managers should do (the prescription writers)

b) Those who are interested in finding out and categorizing what managers actually do (the descriptive writers)

Faupl, is among the prescriptive writers. He gave five elements of the task of management as planning, organising, command, co-ordination and control. Writers like Henry Mintzberg had researched into what managers actually do in carrying out the task of management and had given a set of ten roles which encompasses the bredth of managerial work. The ten roles are organised into three major groups. The interpersonal roles, the information roles and the decision roles as follows:-

Interpersonal Roles

a) Figurehead:- Symbolic Head, Obliged to perform a number of duties

b) Leader:- Respobsible for the motivation and activation of subordinates

c) Liaison:- Maintains self developed network of outside contacts and informers who provide favours and information.

Informational Roles

d) Monitor:- Ensures completeness of audit file and an error free financial statements

e) Desseminator:- Provide feedback to subordinates

f) Spokesman:- Trasmit information to outsiders about all aspects of the organisation.

Decisional Roles

g) Entrepreneur:- Searches the organisation and its environment for opportunities that can bring about change.

h) Disturbance Handler :- Proposes solution to problems identified

i) Resource Allocator:- Responsible for the allocation of resources of all kinds.

j) Negotiator:- Responsible for representing the organisation at major negtiations.

Mintzberg suggest that these ten roles form a 'whole' picture of managerial work, but in any given management position particular roles will be emphasized. He also opined that one managers' work will depend upon a number of different variables such as environmental, job, person and situational variables.

Bates and Hally (1982 pg.225-226) "management is partly a matter of sound technological skills, partly a matter of good management skills not merely in finance but also in marketing, planning, control and communication and an ability to practice modern management methods; it is also a matter of providing good delegation. Not only are small businesses not very good at management, many of them are not very interested in improving it."

2.2 Who is a Graduate

This is defined in the Longman Dictionary of Contemporary English as a person who obtain a degree especially one's first degree, at a University or Polytechnic (1991 pg.452)

In essence, a graduate has gone through several years of regorous training, he is a holder of a degree to show that he is qualified to operate at certain level as a professional or otherwise. He will definitely seek to be gainfully employed at a place that he can use his wealth of knowledge for the realisation of objectives of his working place and his own personal objectives. However, since such paid employment are not available, a graduate should seek to be self-employed. Since this is the case, this idea of becoming self employed on graduation should be inculcated in the mind of students right from secondary school. This is important so that on gaining admission into tertiary institution, the student should be given a course that will be relevant to the business he may wish to own on graduation.

There are so many courses offered at tertiary level, some of them are professional courses i.e; they are recognised and monitored by external professional bodies. They set a professional standard required for one to practice and are often established by decree. As a graduate of a professional course, it gives the advantage of having a direct path to follow towards self employment provided the additional professional training to practice was acquired. Other courses are non-professional as they are purely academic courses. A graduate of such course may end up in teaching profession after obtaining a Post Graduate Diploma in Education (PGDE) or a master degree in Education. To be relevantly self employed under this situation is to open and run a school

Example of some courses offered in tertiary institutions are as follows:-

<u>Engineering</u>

- Agricultural Engineering
- Chemical Engineering
- Civil Engineering
- Electrical Engineering

- Mechanical Engineering
- Metalogical Engineering
- Water Resources and Environmental Engineering
- Surveying

Environmental Design

- Architecture
- Building
- Fine Arts
- Industrial Design
- Urban and Regional Planning

Law

- Islamic Law
- Public Law
- Commercial Law

Medicine

- Surgery
- Anatomy
- Medical Micro Biology
- Opterinan and Gynaecology
- Radiology
- Medicine
- Paediatrics
- Human Physiology
- Humatology and Blood Transfusion
- Psychiatric
- Community Medicine
- Traumatic and Orthopedic Surgery
- Opthalmic Surgery
- Pathology

- Anastesia
- Chemical Pathology
- Dental Surgery

Pharmaceutical Sciences

- Pharmacy and Medical Chemistry
- Pharmacognacy and Drug Development
- Pharmocology and Clinical Pharmacy
- Pharmacy and Pharmaceutical Micro-Biology

Vet Medicine

- Surgery and Medicine
- Physiology and Pharmacology
- Pathology and Micro-Biology
- Anatomy
- Public Health and Preventive Medicine
- Paracetology and Entomology

Administration

- Accountancy
- Business Administration
- Public Administration
- Local Government
- Agriculture

Art and Social Sciences

- Economics
- Geography.
- History
- English
- French
- Nigerian Languages
- Political Science

- Sociology
- Mass Communication

Education

- Education
- Vocational and Technical Education
- Physical and Health Education
- Library and Information Science

Sciences

- Bio-Chemistry
- Biological Science
- Chemistry
- Physics
- Mathematics
- Micro Biology
- Textile Science and Technolgy

It is worth noting that single subject courses are non-professional, while even the professional courses such as Medicine, Architecture, Law etc cannot be used by their graduate to immediately become self employed, it is usually desirable for a graduate to first work under an established firm to gain the experience before setting himself up as self employed, however, since we are talking about self employment after graduation, one can go into partnership with someone that has gained experience in the business.

2.3 Types of Business Organisation

There are three types

1. Sole Trading or Sole Proprietorship
2. Partnership
3. Limited Liability Company

2.3.1 Sole Trading or Sole Proprietorship

If you are in business on your own with only your employees, then you are a Sole Trader. It is everybody's constitutional right to start a business when

you wishes however, one is expected to register the business whether in one's name or under a disguised name but the name should not be mis-leading. Similarly, one cannot use the same name as already registered by somebody else doing the same type of business as the other person can sue for impersonation. According to Abisuga C.A (1985 pg.25) by virtue of the Registration of Business Names Act 1961 one is required to complete Form 2 obtainable from the Registrar. In the form you are required to fill in the following particulars:-

a) The Business name
b) The general nature of the business
c) The full postal address of the principal place of business
d) The full postal address of each branch
e) Your present forenames and surnames
f) Any former forenames or surnames
g) Your nationality
h) Any former nationality
i) Age and sex
j) Your usual residential area
k) Any other business occupation
l) If a married woman, state the forenames and surnames of husband
m) The date of commencement of the business
n) Sign and date the form

3.2 Partnership

A business partnership can exist when all formalities with regards to its formation have been fulfiled or an agreement to that effect between the parties concerned has taken place which should be legally binding to both parties. In essence, whenever two or more people carry on business in common with a view of making profit, then a partnership exist. They share business decisions, profits, risk of losses, working together and have the legal rights as partners.

To go into partnership both must realise the consequences of such an association because each partner is fully liable for all debts, commitments of the firm even if you did not give approval to the debt or commitment. Also you cannot have divided interest or set up another firm to compete against a firm of which you are a partner without the approval and consent of all other partners.

Formal partnership agreement should be drawn by a Solicitor which should be without any ambiguity and acceptable to all. It should answer these questions as stated by Abisuga (1985).

-"Who are the partners? When did the partnership start? Where will business be carried out? What type of business are you carrying on?

- Who are the firm;s Accountants and Bankers? Who can sign cheques? Who is responsible for keeping the books?

- How much capital is to be introduced by each partner? What can a partner take away from the firm as drawing or salary without joint approval?

- How much time must each partner spend with the firm? How many days holiday can each partner take apart from public holidays? Can a partner carry on other business?

- Who is to engage staff for the firm? And can he terminate such appointments without reference to other partners?

- How long will the partnership last? How much notice does a partner need to give before leaving or taking his money out? What happens if a partner falls ill or dies who can bring in new partners?

- What happens if there is a dispute between the partners?" (Abisuga 1985 pg.33)

Indeed having answered all these questions then an agreement is reached and the business must then be registered under the Registration of Business Names Act of 1961

2.3.3 Limited Liability Company

A Limited Liability Company is different from a partnership or a sole trader in the sense that in law, a company is separate from its members or shareholders. A shareholder in a company is only liable to the extent of the value of his unpaid issued shares in the company. It is obvious therefore, that the debts of a company are those of the company and not those of the members. The company is liable on its contracts and has perpetual succession so that the death, bankruptcy or retirement of any of its members does not in any way affect it. The property of a company also belongs to it, it can however, contract with its members and can sue and be sued on such contracts. Members of such company are not its agents, usually the company is managed by Directors who derive their powers from the company's Articles of Association.

Forming a company is not a simple issue, usually Solicitors do the formation

or the various registration specialist around. It is also not cheap to register a company. Therefore forming a company may not be possible for a graduate who want to be on his own.

2.4 Man as a Complete Entity in Relation to Self Employment

Man by virtue of his natural wish to be independent would want to be self employed but there are many constraint, apart from the fact that some people do not even know what to do, there are other issues like Gender, Age, Religion and Culture that can cause a hinderance towards self employment in some area in Nigeria.

The age of a graduate who has just graduated out of school is usually from 22 - 26 years. In most cases, such graduates are seen by the public as immature. Fresh graduates who wishes to establish a small business of their own may find it difficult initially as people may not wish to transact business with them because they don't 'trust' their ability to handle their money well

. Moreso, with the current situation in the country whereby many youth are now involved in deceiving poeple to cheat them to part with their money popularly known as '419'. The question is, will a matured graduate (27 years and above) have a higher percentage chance of running a successful business of his own?

The Gender problem whereby females are discriminated against in many life endeavours is still with us. Women are seen as less capable than men, despite the fact that the attend the same school, given the same training and they write and pass the same examination with their male counterpart. However, when it is time to practicalise what was learnt, men are viewed as a better resource persons. In view of this, male graduate may have a better chance of establishing a successful business than females due to the higher support they may have. There are still people who uphold the idea that women should remain home and take care of the family rather than venturing into areas better left for the men.

Of the two recognised religions practiced in Nigeria (Islam and Christianity) the religion of Islam has frawned on women mingling freely with males, however, for very good reasons women are allowed to seek paid employment or to be self employed but the muslim women must dress as directed by the religion. The religion of Islam has directed that a woman must cover herself from head to toe with the exception of the face and the two palms before going out.

The muslim woman mode of dressing may prevent her from going into some professional calling such as Chemical Engineering.

2.5 Starting Your Own Business

C.A. Abisuga (1985 pg.19) opined in his book titled How to start and run your own business in Nigeria, that "one must consider first three items before starting a business.

1. The amount of money you can afford to put in the business
2. Whether you are prepared to give it much of your present free time
3. Whether you are prepared to risk your personal possessions, that is, past

savings, house (if any) etc if things go wrong.

In essence one must understand that owning a business is a very serious business, therefore there must be total commitment if it is to succeed, furthermore to start a business, one must plan properly, cognisance of many unknown must be taken as nobody knows tomorrow. You must also be very clear of what you want to do, then assess your strength, weakness, skills and abilities, know the limits of your capabilities and have a strong character. Ability to manage must be acquired. This should be coupled with good personality that will see you through all the vagaries of the business. Above all, being in good health both mentally and physically too to be able to stand heavy stresses of the business is an added value for a good start as owning a business means working long hours, having no holidays and many other extra commitments.

Raising Capital

To be able to raise cash needed for a business, one must be absolutely clear in the mind as to the purpose for which cash is sought. The obvious main sources are one self and borrowing. Financing can be low gearing when the business is predorminatly financed by your own capital or highly geared if the financing is predorminantly financed by borrowing. Indeed most business of any type are financed by the above two sources of capital. The relationship between personal money introduced into a business and those borrowed is known as a capital gearing. It is worth noting that most small businesses as the one a graduate is likely to establish are low geared, with 1 - 1 ratio i.e. personal fund equals borrowed fund.

These funds is what is needed to start the business known in the financial management as working capital which may be tied permanently into the business.

Tretreault W.F. (1981 pg.129) has given many ways or sources of obtaining loans to finance a business as follows:-

Personal Loans - This is relying on immediate family, relatives or others for a loan. Another source of personal loan is a financial institution such as a bank, savings and loan scheme, insurance company etc. there are also simple commercial unsecured loans for 30 - 90 days.

Inventory Loans - This has to do with obtaining merchandise i.e. merchandise can be delivered if requested on consignment, the suppliers retaining ownership of inventory, receiving payments only when inventory is sold. The supplier can also be asked to send inventory to be paid within a certain period of days or weeks.

Free Equipment - At times suppliers and distributors supply free equipment if one purchases their supplies e.g the Bottling Companies such as Coca-Cola and 7Up are always willing to supply a kiosk and deep freezer free for one to exclusively sell their products.

Equipment and Machinery Leases - Suppliers and distributors sometimes arrange leases for their equipment by carrying the lease themselves or by using a leasing company.

Leased-Back Equipment - The supplier, insurance company or a bank is asked to purchase the equipment that is needed, then it is leased back at a monthly cost.

Account Receiveables - A commercial finance company can make loan to a borrower who assignes his account receiveables as collateral for a loan and who remains responsible for any uncollected debt.

Credit Line - Usually a bank or supplier will extend credit on a combination of personal and "hand" assets for a short term funds for a maximum amount agreed upon at any one time.

Trade Credit - This is a major source of funds usually some percentage discount on balance, when payments are made within ten days as compared to

b) Whether he is solvent (the difference between his costs and the revenue acquired from his sales)

c) Whether he has been making profits

d) What he has been doing with the profit

e) How his money has been raised and used i.e. the cash flow in the business.

These information when obtained will assist the businessman to know how he expects or plans that all of these information should go in the future.

Abisuga (1985 pg.70) said whether you are trading as a sole trader or in partnership or as a limited liability company the following account need to be kept.

a) Cash book - This is where record of all payments into and out of the busisness are kept.

b) Petty Cash - Expenses incurred by the owner of the business and his staff in running the business are recorded here. Each item of expense is entered as a credit in the petty cash book

c) Sales Account - Shows the sales for the period and with individual customers

d) Purchases and expenses account - Deals with purchases of goods and expenses incurred.

e) Private Accounts - Which takes care of matters of confidential type e.g capital put into or withdrawn from the business.

f) Nominal Accounts - This is designed to tally the purchases and sales together

g) The Journal - This is used for all other entries with the cash book and the sales and purchases day books. It is usually used for corrections and to record

opening and closing entries at the end of the financial year and opening entries when the business is first started.

Abisuga favoured the use of a simple record keeping method by a small business man such as the Double Entry method where at the end of the month all the day books are totalled and posted to the general or norminal ledger which contains all the accounts other than the personal accounts such as wages account, furniture and fittings, profit and loss accounts etc. the basic principle of double entry method of book keeping is that every debit entry must have a corresponding credit entry. Trial balance can be used to ascertain whether all the balances are entered correctly.

Other records are historical in nature, they are also useful for financial analysis. They include:-

a) The Balance Sheet:

This is a picture of the business at a particular time. It shows the different sources of finance and the assets which the firm has and which it had required using this finance. Thus the Balance Sheet is a statement of assets and liabilities.

b) The Income Statement:

Income statement explains the result shown in the balance sheet. It is a flow statement which describes the flows of revenue and expenses into and out of the firm over a period ending at the balance sheet date. It shows what profits were made, how much of the profit was paid out in the form of tax, devidends and how much was retained in the business. Thus, it explains changes in reserves.

c) The Trading, Profit and Loss Account:

This produces the figures underlying the income statement. The main items in the accounts are:

- Cost of raw materials
- Wages
- Other production costs of the business

It shows the genuine amount of funds put to reserves as a transfer. It is therefore a part of the flow of funds statements.

d) The statements of Sources and Uses of Funds:

This shows how funds were raised and spent. It shows in a better way than the balance sheet, trends in the use of trade credit, bank loans, accumulation of

cash, stocks etc. Example funds flow statement can show up the fact that increased bank borrowing had been used for reduction of creditors or for increase in credit extended to customers or for an increase in stocks

The small business owner need to know in detail the accounting records briefly explained above as it is very important for the survival of the business to know the flow of revenue in and out of the business, the extent to which the business is generating additional finance, the sources of the additional funds apart from trading etc.

Firms must at all times retain their ability to meet their obligations, that is having enough cash flow to pay back to outside debt financiers what is due to them at the appropriate time. As the Elliots (1986 :29) advised "every businessman should abide by these essentials of handling money

a) Pay your account to a system

b) Collect your account to a system

This means selecting a day in the week or month for paying accounts and make it an absolute rule to do so or to have a very good reason for not doing so"

The Elliots (1986 :21) also have this advise to the new business owner - He is to watch even the pence he spends for months or even for years. In a struggling new business one will need to use improvisation and 'make do and mend' methods which may be abandoned later. The Motto of such a struggling new business proprietor should be 'I must not spend it just because I have it'. Capital is to the business what blood is to the body, thus a businss cannot exist without capital.

2.7 Organisation and Policy for Successful Business Planning and Management

As an aid to successful business planning for effective management, it is essential that an entrepreneur of a small business establishes policies that will aid and guide him in the decision making process. The business plan should compose of policies that apply to common repetitive decisions in order that the planning process need not be repeated each time a decision situation arises. The most important policy for the firm is its goals and objectives, that is both the organisation and policies must find out what it is required to achieve. The end-purposes of the business must obviously condition the nature of the organisation. There is no one 'right method of organisation as differences of size, market, complexity etc may require great differences in the nature of the organisation. This is clear if for example one compares

a one man business or local general shop and a major department store. In the one man business, the need for formal organisation scarcely exists, since there is no problem of deciding who should do what. Everything that has to be done will necessarily be done by the one man e.g the buying, selling, book-keeping, market research, advertising and the planning for the future development of the business. However, when someone is hired to serve in the shop, a degree of specialisation takes place which creat the need to have some kind of understanding about who is to be responsible for what. As more employment are made, the size and complexity increases to the large chains of departmental store in which all functions are highly specialised and the organisation may be highly formalised. The scale of operation is therefore a determinant of what kind of organisation is appropriate to a particular business as well as the objective of the business which may make the business to concentrate on one area or another for its success.

Every small business enterprise policies are the result of deliberate managerial or entrepreneurial decision making, thus it is essential that policies are written and formulated into the business plan; this is to make the business consistent in its operations and perhaps re written due to changing market conditions.

The link between any small business and its business environment is referred to as a strategic business. Strategic business is the means by which a manager implements the firm's mission over the long run. Since a business environment comprises among other firms and agencies as well as customers, a manager must include every type of relevant business activity in his plans.

Strategic business plans approach often cover different time periods for different firms and is beased upon an analysis of relevant factors in the environment and an effective assessment of a firm's resources. A manager should not allow himself to be influenced by personal values and aspirations that are irrational, rather, he should focus his attention on what is economically

feasible for his business, this will assist in forming a good strategic business planning approach.

2.8 Sales Strategies and Credit Control

Whether the business is big or small, sales strategies must be part of the business plan to ensure good profit and survival. Abisuga (1985 pg.80) has noted that "one cannot sell what he does not have. And if the purchasers do not know that you have the product, they cannot buy". The Elliors (1951 pg.90) agreed with Abisuga adding that provided you have the right goods, they should be attratively and colourfully presented and displayed. Even if the business sells only services or something that cannot be shown you still have to sell yourself. Therefore one must be neat, tidy and up-to-date in appearance.

You must go out and get the sales, the orders, the contracts or the job, it will never come to you. Apart from those rendering pure service, all others must advertise in the press, on the radio, on Television, through the cinema, journals, posters, shop window displays, etc.

Advertisement and Promotion

The small business owner must endeavour to tell the world what he is selling by making sure he is noticed in all the right places - Gray M. (1982 pg.25) noted that "the best advertising and self promotion is free, that is, the more you spread the word, the more the word of mouth network will work for you".

The local newspaper can be persuaded to run a story on you by doing something sufficiently note worthy to merit a few paragraphs. For a wider market, place advert in specialist magazine, trade journals and National Newspapers. One can also send out personally written letters to the right people in the right places. In the write-up, state exactly what is being offered, at what price, how quickly it can be supplied and in what quantity. A nicely designed letter headed and logo and a well typed and displayed letter will have far more

impact than a letter sent out on a piece of tattered note paper. To find the right market one can try being travelling salesman persuading people to buy. Selling to buyers for shops can be tried or one can have a place and sell direct to customers. Leaflets on the business can be delivered to houses and business premises. One should however, not forget that too much advertising can ruin a business. Caution should therefore be exercised.

Credit as defined by the Collins Gem English Dictrionary (1985 pg.120) is a system of allowing customers to take goods for later payment. Most small businesses have to contend with this situation, therefore, there must be adequate system of controlling such credit. Giving credit is in itself costly and very risky, besides, capital will be tied up in the process. One must try to avoid it and sell on cash and carry basis unless to customers that are well known to the manager of the business, even then one should ensure that this is agreed before hand and the terms of payment sorted out. Redress can be sought in case of failure or refusal to pay back credit, legal advise must be sought from your solicitor, if necessary one can take the matter to court.

2.9 Small Business Enterprise and Inflation

Abisuga (1985 pg.88) defined inflation as the decline in the purchasing power of money as the general price level of goods and services rises. As a business man, inflation will have an effect in relation to cash, debtors, stock, creditors, cost and sales. Abisuga (1985 pg.88) further give an example thus "if you give credit to your customers in an inflationary period, you will find that when they eventually pay you, the same amount will be enough to buy the same type of item you have sold to him in the first place". On the other hand if you are the debtor, the ₦1 you paid for a ₦1 owed many months ago is in real terms less than ₦1 because of the fall in the purchasing power of the Naira.

He said to counter all this inflationary trend you must with regard to cash:-

a) Have extra cash to purchase replacement of your stock which will now be dearer

b) Settle your debts as early as possible

c) Without necesssarily tying up too much capital, buy more stock item at current prices

d) Meet increased cost of your expenses at current prices

e) Do all you can to keep your sells volume up

The effect of inflation on debtors is that your own cash shortages is your customers' cash gain. To safeguard your own interest you must keep your level of debtors as low as possible.

2.10 Banking, Insurance and Taxation to the Small Business Entrepreneur

The business man must always distinguish between personal and business money. It is very important that two separate bank accounts are kept, one for personal use and one for business transactions. These can be opened at different branches of the bank to avoid mix-up.

A bank account is necessary to simplify payments, besides banks can give over-draft or loans to their customers. Other services rendered by banks include making enquiries on behalf of their customers on the credit worthiness of someone they are thinking of dealing with, reference can be given when in need by banks, similarly the bank manager can give advice on a whole range of business matters.

Taxation throughout the Federation of Nigeria is governed by the personal Income Tax Act 1961 and the Income Tax Management Act 1961 (Abisuga 1985 pg.92). One is expected to present a tax clearance certificate before he is allowed to do many things such as purchase of vehicle etc. therefore it is desirable that the small business owner have an idea of the country's taxation system.

Catastrophes and disasters may befall a business which the owner has taken many years to build, it is therefore necessary for small business owner to be adequately covered by insurance.

Insurance as defined by the Collins Gem English Dictionary (1985 pg.279) is a contract for payment of premiums. There are many different insurance policy that a business man may decide to take. However, the Elliots (1985 pg.105) cautioned that one should "be guided by the fact that most of us pay out in real terms far more in insurance than we ever get back". The business man is advised to insure where the risk represent a substantial part of his capital.

Example of insurance policies are:-

i) Private and Business Motor Vehicle
ii) Fire Insurance
iii) Insurance of Cash on Transit
iv) Loss of Profits Policy
v) Employers Liability Insurance
vi) General Burglary and Theft
vii) Personal Life Insurance
viii) Product Liability etc etc.

2.11 The Role of Small Business Enterprises

The small business enterprises continue to play their part in society, their vital role is better recognised than ever before. In this kind of business, opportunity is the key. Small businesses are usually set up in order to realise an opportunity; they continue because new opportunities arise. There are many instances when small business is more appropriate than large. Example is the clothing industry which use equipment that are of small output capacity. In some trades the extent of the market may set a limit to the size of the firm.

Big firms may not find it worthwhile to manufacture many of their components, small firm may take advantage of this.

A growing economy provides opportunity for the small business. As the population grow and incomes per head grow, there is an increasing demand for goods and services and the small business share in the satisfaction of the demand.

Bates and Hally (1982 pg.10) has quoted the Bolton Report as saying that "The small firm is in many ways a highly efficient organism, better accepted to the exploitation of certain kind of economic opportunity than larger units, and having some special advantages which derive from the intense commitment of the owner manager". The important economic functions identified in the report as being performed by small firms include:-

a) Offering a productive outlet to enterprising and independent people
b) Providing an efficient form of organisation in industries where the optimum size of the business unit is small
c) Acting as special suppliers to bigger concerns
d) Adding to variety of products and services in limited or specialised market
e) Providing competition and some check on monopoly profits
f) Acting as a source of innovation
g) Serving as a breeding ground for new industries
h) Providing means of entry for new entrepreneurial talent"

Small business entreprise play vital role in the development of people. It is a process that can enventually lead to self fulfilment or self actualization. This is so because in most cases the small industry is owned and managed by an individual.

As was mentioned, being the objective of the National Directorate of Employment, small businesses accelerate employment through out the country,

more employment can be provided with a given amount of investment and the involvement of Non-Governmental Organisation in the creation of jobs.

Through viable small businesses, the nation can enjoy a rapid, wide spread economic base, thereby making many people owner managers real partners in economic development. It brings about balance development of different parts by extending the benefit of economic progress to the less developed area. It therefore reduces inequalities of income distribution among regions and economic groups.

Small business enterprise creat self reliance in consumer and industrial goods. They provide more effective utilization of local resources thereby achieving local self sufficiency in respect of certain types of essential consumer goods. The sector encourages savings, mobilises local resources of capital and skills for gainful utilization. The use of apprenticeship system is an important vehicle for acquiring technical training which contribute to the development of the sector.

Another role of a small business enterprise is the generation of innovative sprit which is an important factor in managing modern enterprises in today's changing world. By so doing, small businesses also creat competition that can forestall monopoly.

In conclusion, the role of small business enterprises in the development of any nation cannot be over emphasised. In Nigeria, we have numerous opportunities for such businesses to strengthen forward and backward linkages among economically, socially and geographically diverse sectors of the economy. In this regard, small scale business should be developed to use local raw materials and generate greater employment and improve the living conditions of most of the people.

2.12 Brief History of National Directorate of Employment (NDE)

The worldwide economic depression of the early 80's caused a rapid

deterioration in Nigeria's economy. Industrial output shrank to an all time low and commercial activities were consequently reduced leading to the loss of employment opportunity for millions of Nigerians.

By the end of 1985 the unemployed situation in Nigeria had reached desperate and alarming proportions.

The unemployment trend is much higher in the urban areas where the educated tend to congregate. In the rural areas, it was no less severe. The youths and the graduates were the hardest hit. Of all the unemployed Nigerians, three quarters were under 25 years of age. With growing joblessness, there was growing despondency among youths and their parents.

On 26th March 1986, the then president appointed a committee to deliberate on the strategies for dealing with the problem under the auspices of the Federal Ministry of Employment, Labour and Productivity. The report of the committee was approved in 1986. Based on its recommendation, the National Directorate of Employment (NDE) was established on November 22, 1986 and its initial core programmes were formally launched on 30th January 1997 with the mandate to work out strategies for dealing with mass employment especially among school leavers and college graduates by promoting self employment, reorganisation of artisans into co-operatives, reactivation of public works and encouragement of a culture of maintenance and repairs.

The Directorate which has its Headquarters in Lagos has a decentralised structure with offices headed by project co-ordinators in all the state capitals including Abuja. It has articulated a number of programmes to give effect to government objectives in generating employment and self reliance. These programmes are backed up by necessary administrative monitoring and support personnel thus enabling optimum use of resources and prompt response to the requirement of the public.

The programmes whose basic objective is to train and develop unemployed youth to acquire skills, abilities and understanding that will enable them to handle competently the vocational opportunities available in the broad field of human undeavour and to assume citizenship responsibilities consist of the following:-

i) National Youth Employment and vocational skills Development Programme
ii) Small Scale Industries and Graduate Employment Programme
iii) Agricultural Sector Employment Programme
iv) Special Public Works Programme

i. Vocational Skills Development Programme

This programme emanated from the realisation that the majority of the unemployed are youths without produtive and marketable skills. Hence, the three main schemes of this programme are concerned with skills acquisition.

ii. National Open Apprenticeship Scheme

This is aimed at providing unemployed youths with basic skills that are needed in the economy. This is achieved by attaching them as apprenticeship to companies, ministries, parastatals and professional craft men and women. Some of them are given admission into vocational training institutions or centres to learn a trade.

All participants in this scheme are required to register with the Federal Ministry of employment, Labour and Productivity's local labour exchanges prior to being accepted as trainees. This formal registration enables accurate tracking of employment trends and labour statistics which is required for realistic national planning.

Upon completion of their apprenticeships these participants will possess the necessary skills that are considered valuable by potential employers

or enable those with entrepreneurial skills go into self employment. Furthermore, under this programme, the various artisans in our cities and villages are being organised into co-operative societies to facilitate the provision of financial and other assistance from government and the organised private sector.

Example of some skills being learned under this scheme are as follows:-

1. Auto Mechanic
2. Electrical/Electronic Maintenance
3. Welding/Foundry/Metal Fabrication
4. Plumbing Works
5. Carpentry and Joinery
6. Leather Works
7. Photography
8. Interior Design
9. Architectural Droughtsmanship
10. Printing
11. Computer Operation
12. Catering/Bakery/Confectionery
13. Hair Dressing/Barbing
14. Auxillary Nursing
15. Typing and Shorthand
16. Tailoring/Fashion Design
17. Modelling

Some examples of Trainer Organisation

i) SCOA (Nigeria) Limited (automechanics)
ii) Leventis Technical Limited (general maintenance skills)
iii) Lexmay Technical (air condition repair and maintenance)
iv) Federal Ministry of works (general maintenance skills)
v) Nigeria Ports Authority (maintenance skills)

vi) Nigeria Telecommunications Limited (Electrical/Electronic)
vii) U.T.C Technical (general technical services)
viii) Vicy Tailoring, Lagos (sewing and fashion design)
ix) Julius Berger
x) Continental Merchant Bank Limited (banking operations)

Other schemes under this programme include

i) Waste to wealth scheme
ii) School on wheel scheme
iii) Disabled works scheme

Small Scale Industries and Graduate Employment Programme

This programme is designed to encourage and aid unemployed Nigerians to set up and run their own businesses. To help the participants translate their business ideas into viable commercial ventures, the NDE conducts courses in entrepreneurship prior to making loans available to them through job creation loan Guarantee Scheme. Under this scheme, the NDE has a working relationship with many banks in the country it deposited funds with these banks to serve as guarantees for loans made by these banks for successful applicants.

Under the small scale programme is the Entrepreneurship Development Programme (EDP) which involves recognising a businss opportunity, mobilising resources and persisting to exploit that opportunity, this is necessary for self employment. All applicants to the small scale industries scheme are given an intensive two-week orientation course. The course covers self evaluation, business indentification, market research and feasibility studies, marshalling of resources to start a business, obtaining a bank loan, managing a business, record keeping and accounting, marketing management, legal aspects of business etc. the lecturers are drawn from both the public and private sectors. These courses are also extended to NYSC members in their orientation camp to prepare them for self employment.

Agricultural Programme

This programme is designed to provide self employment in agriculture for graduate with Degrees, Higher National Diploma (HND) National Certificate of Education (NCE) and Ordinary National Diploma (OND) in agriculture. Those who are interested in farming are given the relevant training and orientation and provided with land to start farming ventures. Similarly, those going into livestock, poultry, or fish farming are also considered.

Special Public Works Programme

This programme is designed to provide temporary employment to a large number of the unemployed. The objective is to utilise this valuable manpower resources in carrying out necessary public works using labour intensive techniques, which enable the participants to obtain short term employment whilst acquiring new skills and trade experience. The programme encourages the development of a maintenance culture nation wide.

The public works meant for both graduates and non-graduates include:-

- Construction and maintenance of roads buildings and other infrastructure
- Tree planting
- Environmental sanitation
- Land clearing and other farm support services

Support Services

The operational departments of NDE are fully backed by the necessary professional services to ensure the success of the programmes. These programmes are constantly monitored to ensure that their objectives are met, and that adequate response is made to the changing trends in the nation's employment pattern.

Finance and Administration

This department has the responsibility for providing full support to all

other departments in terms of personnel, materials buildings, communications, finance, internal audit and budgetary control. This is the logistics arm of the NDE.

Information Division

The duty of this unit is to inform the general public about the activities of the directorate. It plays a crucial role for the directorate through the collection and dissemination of information on all the activities of the NDE; it informs the public on the goals and objectives of the directorate and helps to stimulate employment and productivity conciousness.

Research and Development

The Directorate fully accepts the need to follow up short term job creation programmes with long term viable, permanent employment. To do this, detailed and extensive research is necessary to properly utilize the large labour pool which the Directorate regards as a potential national asset. The Research and Development identifies new programmes for the various operational departments to implement. Thereafter, it closely monitors operational programmes to ensure that objectives and policies are properly adhered to.

2.13 Role of National Directorate of Employment in Small Business Management

The National Directorate of Employment being an arm of Federal Ministry of Labout and Productivity established for the purpose of tackling the high rate of unemployment in the country, has played and is still playing a vital role of training youths in various fields to acquire a skill and to be self employed.

This can be ascertain by the recent utterances on the activities of NDE in some of our National dailies. In the New Nigerian Newspaper of Monday February 1, 1999 page 24 under the heading "NDE expends ₦17m on Employment Programmes". We learnt that the NDE has spent about 17 million Naira on its employment programme and loan scheme in Niger State from 1987 to date. This information was revealed by the Minister of Employment Labour and Productivity Dr. Emmanuel Udogu. He further explained that 19,218 persons has benefited from the programmes within the same period. Giving further breakdown the minister said 15,064 beneficiaries were recorded in the National Open Apprenticeship Scheme (NOAS) 1,509 benefited under the Rural Employment Programme (REP), 60 applicants benefited under the School on Wheels Programme (SOW) while 95 graduates benefited under the Small Scale Enterprises (SSE) programme.

In another New Nigerian publication of Tuesday February 16, 1999 page 24, headed "Review NDE's Budgetary Allocation, FG urged". The employment labour and productivity minister gave information on the achievement of the directorate in Kano State. He hinted that "Kano State NDE has so far trained over 28,000 youths and disbursed 18 million Naira as loans to 10,425 beneficiaries cutting across the various programmes adding that these groups have not only established their own businesses and workshops in the state but are proud employers of labour". These achievements explained why the Military Administrator of Kano State appealed to the Federal Government to review upwards the budget's allocation for National Directorate of Employment to enable it do more in dealing with the unemployment problem in Nigeria.

The Directorate in its effort to ensure good management of small businesses, had set up an Entrepreneurship Development Programme (EDP) whereby, all applicants to the small scale industry scheme, are given an intensive two-weeks orientation course. The course covers special training in

the act of business management and other aspects such as self evaluation, market research and feasibility study.

With reference to Kaduna State in particular and Nigeria in general, the National Directorate of Employment has provided relief to the teaming Graduates from various tertiary institutions through their small scale industry and Graduate Employment Programme which has distinguished them from other government owned vocational and technical institutions who also perform similar functions. However, a lot more has to be done.

Post Training Support

The Directorate provide post training support for all its graduates from the various programmes. After training, the participants are given small loans to set up their own businesses, they can establish on individual basis or operate together as co-operatives. The amount of loan granted and duration of repayment depends on the type and size of industry to be established.

Condition for Loans

An applicant is required to submit to the Directorate a comprehensive feasibility study of the intended business, the amount of loan needed, names and addresses of two guarantors and his or her own curriculum vitae. The applicant's feasibility study are submitted to these banks for their scrutiny and approval. After approval, participants are required to submit the original of their certificates and testimonials as collateral.

For projects requiring more capital than guaranteed by the National Directorate of Employment, the applicant must negotiate the balance with his/her bank based on the normal bank lending practices and conditions.

2.14 Achievements, Problems and Future Plans of National Directorate of Employment

Generally, the NDE has done much in training many jobless school leavers to acquire different skills of their choice. Under the the special public

work scheme which was designed to provide immediate temporary employment to a large number of the unemployed, assisted both the government and the public with free manpower for the construction and maintenance of roads, building etc, tree planting, environmental sanitation, farm support services etc. the tools needed for the execution of the work were provided by the government.

NDE also assisted in drawing the attention of youth to the benefits derived in farming under their agricultural programme. Specifically, the graduates who benefited from NDE's programmes are now self reliant, they are operators and managers of good businesses.

It is also the Directorate future plan to set a machinery for more awareness on its activities so that more people will benefit from its programmes.

Problems

Like any organisation, the National Directorate of Employment has its own fair share of problems as follows:-

i) Due to lack of workshops and classrooms where practical training will be conducted under close supervision, participants are usually sent to organisations and individuals for training, therefore, training is haphazardly done resulting in half baked skilled personnel.

ii) Poor loan repayment is another problem to the directorate. Most of the beneficiaries do not honour their pledge to repay loans given to them, when due, this is more so as it concerns the graduate small scale industries programme, some of the graduates collect the loans and disappear without doing what they pledge to do with it, nor paying back the loan.

iii) Inadequate finance. The Directorate need to be adequately financed to properly discharge its duties. This is considering the fact that a lot need to be done in the area of providing jobs for the unemployed, since despite the achievements recorded by NDE, thousands of the unemployed are still roaming the streets.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

Every research has a methodology used to arrive at its findings. This research work is no exception. Since the research is on the management of small businesses in relation to Graduate self employment, the Questionnaire method of Data collection was adopted as a dominant method, it was however supported by interview method in areas that is found necessary especially to make use of the advantages given by the method such as the opportunity to clear issues. This has assisted the researcher to arrive at vital conclusions.

3.2 Research Population

To get necessary data and to arrive at useful conclusion, the researcher decided to seek the views of Graduates, Under-graduates and self employed personnel. Fifty (50) under-graduates were issued with a questionnaire, 48 was collected back, thirty-five (35) graduates were also served with questionnaires, all were received back, fifteen (15) self employed personnel provided their own view through the use of a questionnaire. The graduates and the under-graduates were selected randomly regardless of the tertiary institution they belong to or they graduated from. However, candidates from Ahmadu Bello University (ABU), Kaduna Polytechnic and Kaduna State Polytechnic Zaria dominated the responses.

3.3 Method and Sources of Data Collection

Since the topic is on Graduate self employment, the researcher felt the need to ask Graduates on this, indeed opinion from those that are yet to graduate (the under-graduates) were sought as they are also stake holders in the issue of Graduate Self Employment.

- How did they establish as self employed?
- Were they trained on management of business before they start?
- Are they successful business entrepreneurs or otherwise?

To know all these and even more, the researcher view it as important to serve some self employed personnel including those assisted by the National Directorate of Employment (NDE). All the three categories of the questionnaires were design to establish or reject the research hypothesis.

All the research respondents selected are educated, they can therefore respond conviniently and rationally by questionnaire method.

Similarly, a questionnaire was designed for the management of the National Directorate of Employment (NDE), which is the researcher's area of case study. The questionnaire was designed to reveal the activities of the NDE especially as it concerns Graduates.

Though interview method was used to support the questionnaire method, it was informally used. On some few occasions, the researcher had cause to ask some of the respondents their opinion on various aspects that might reveal more on the study. Such questions were asked casually without writing in the process but well noted by the researcher which proved very useful.

Other sources of information about the Directorate were collected from the Directorate's journals, handbooks and official documents made available to the researcher by the information department of the Directorate.

3.4 The Research Instrument

The researcher designed an Open-ended type of questionnaire which consist of a prepared set of questions with space provided for the respondents to fill in their answers, i.e. 'fill in the ' blanks' method. This method was chosen because of the nature of the topic whereby the researcher wants well thought out constructive answers to show the various opinions of the respondents for true assessment of the situation rather than giving them a choice of possible answers as in the ticking method which will narrow the respondents mind who may perhaps tick for the sake of it. Indeed the 'fill in the

blank' method was adopted because the respondents used for this research work are highly educated, therefore, they are quite suitable.

3.5 Administration of Questionnaire

The questionnaires were administered to those concerned personally by the researcher, but on some few occasions questionnaires were given to others for onward issuance to some of the respondents especially the under-graduates. This is to ensure wide circulation of the questionnaire and to overcome the time constraint faced by the researcher.

The questionnaires were written in a clear format with minimum items to ensure constructive response. When necessary, the questions were made clearer by verbal explanation, by the researcher to avoid misconceptions.

3.6 Data Analysis Method

The statistical analysis used for this research work is percentages. This is adopted for easy tabulation and generalisation.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

The establishment of small businesses is now very desirable and is being encouraged by governments, since it is viewed as one of the means of achieving self reliance and economic bouyancy in Nigeria. The Nigerian graduates who had hitherto assumed that once they obtain their degrees a white colar job will be readily available for them, are now begining to change their minds knowing fully that such jobs are only avbailable for very few of them that are very lucky. It is however, sad to note that despite the unfavourable situation in the employment industry, these graduates still roam the streets with their credentials looking for jobs that are not forthcoming.

The questions to ask are:-

- Are the graduates not interested in becoming self employed?
- If they are interested, are there other factors militating against their being self employed?
- They may be uninterested. What are the reasons for this lack of interest?

Indeed, we also know that the few among the graduates that established their own businesses, some of them had to close up after few months of opening, perhaps lack of management skills or other factors might have brought about problems leading to the closure.

All these issues raised, the researcher aimed to find out so that proper advice and suggestion can be given, by asking both the graduates and even the under-graduates some vital questions that may lead to vital conclusions. This chapter is therefore concerned with analysing their responses to the questions asked.

4.2 Summary of Findings of Responses by Under-graduates

Table 4.2.1 Institution of Respondents

Institution	Frequency	Percentage
A.B.U Zaria	16	33.3
Kaduna Polytechnic	17	85.4
Kaduna State Polytechnic Zaria	15	31.3
Total	48	100%

Table 4.2.2 Level of Respondents

Levels	Frequency	Percentage
100	13	27.0
200	9	18.8
300	8	16.6
400	9	18.8
HND	9	18.8
Total	48	100%

Table 4.2.1 presented the different institutions the researcher had sought for opinions of some under-graduates. 16 respondents were from Ahmadu Bello University Zaria representing 33.3%, 17 from Kaduna Polytechnic representing 35.4% while 15 or 31.3% of the respondents were from Kaduna State Polytechnic Zaria.

Similarly, the levels of the respondents varied from 100 level to 400 level, this is a deliberate act to allow for disperse of ideas for better generalisation. As shown in table 4.2.2, 13 of the graduates presented with a questionnaire or 27% are on 100 level or first year of their studies, 9 i.e 18.8% on 200 level, 8 or 16.6% on 300 level, 9 or 18.8% on 400 level while 9 or 18.8% are doing their HND with 7 respondents in their first year and 2 in their HND 2.

Table 4.2.3 Respondents Courses of Study

Courses	Frequency	Percentage
Business Affliated	47	98
Science "	0	0
Arts "	1	2
Total	48	100%

The researcher has concentrated more on student of Business afflicated subjects such as Business Administration and Accountancy, this is becuase the research questions under consideration is on successful business management in relation to a graduate. Therefore, Table 4.2.3 shows that 47 of the respondents representing 98% are all studying a business related courses. Only 1 respondent or 2% is studying Art related course.

Table 4.2.4 Religion of Respondents

Religion	Frequency	Percentage
Islam	26	54
Chiristianity	22	46%
Total	48	100%

The researcher is of the opinion that one among our two official religions in Nigeria may hinder the full participation of women in self employment. For this reasons followers of both the 2 religions were consulted as Table 4.2.4 shows that out of the 48 respondents, 26 or 54% are muslims and 22 or 46% are christians. Similarly both sexes were considered under the 2 religions as is seen in the next Table.

Table 4.2.5 Sex of Respondents

Respondents	Frequency	Percentage
Male	28	58.3
Female	20	41.7
Total	48	100%

Table 4.2.5 has shown that the researcher has consulted both the two sexes fairly with 28 or 58.3% male respondents and 20 or 41.7% of them females.

Table 4.2.6 Whether Courses Offered was Chosen by Them

Respondents	Frequency	Percentage
Yes	41	85.4
No	7	14.6
Total	48	100%

It is obvious that unlike what obtains before, students are now encouraged to choose courses of their interest rather than imposing one on them. Table 4.2.6 shows that 41 respondents representing 85.4% choose their courses while only 7 or 14.6% answered to the contrary, out of these 7, 3 of them are not happy with the course chosen for them and wishes to change. Much as is desirable for students to be left to choose courses of their choice, they should however be guided in chosing a course relevant to their being a successful self employed personnel in future.

Table 4.2.7 Whether Already in Business

Respondents	Frequency	Percentage
Yes	12	25
No	36	75
Total	48	100%

Table 4.2.7 shows that 12 or 25% out of the 48 respondents though in school but are in one business or the other, with 7 male and 5 female. On how

they started the business, the researcher noted that most of them started as an apprentice or as helpers in the family business while others used their initiative to note the product needed in their school environment and tried to provide using their feeding allowance etc. the reasons they ventured into business is to be independent or to be able to suppliment their school requirements and to be financially secured. Whatever is their reasons, one can be confident that such students cannot be found among those who will go round from one office to another looking for jobs after graduation.

Table 4.2.8 Self Employed or Paid Employed

Respondents	Frequency	Percentage
Self Employed	26	54
Paid Employed	17	35
Not Sure	5	11
Total	48	100%

26 or 54% of the respondents prefer to be self employed when they graduate 17 or 35% of them preferred to be paid employed. It was however noted that most of the respondents who will rather be paid employed has interest in becoming self employed later, they feel that they need to gain some experience in their prefession before they turn self employed. 5 or 11% showed uncertainty in their responses.

Table 4.2.9 Relevance of Course of Study to Future Self Employment

Respondents	Frequency	Percentage
It is Relevant	47	98
It is Not Relevant	1	2
Total	48	100%

It is obvious that most of the respondents feels that the course they are studying will be very relevant if they are to be self employed in future. This is so because these students are studying business related courses as shown in Table 4.2.9. only 1 student representing 2% agreed that his course which is Public Administration may not be very relevant to effective self employment while 47 or 98% said their courses are relevant.

Table 4.2.10 As a Female Any Objection to Your Self Employment

Respondents	Frequency	Percentage
Yes	1	5
No	18	90
Not Sure	1	5
Total	20	100%

Out of the 20 female respondents to this question only 1 or 5% said she will encounter an objection to her becoming self employed, which might come from the parent, the reason being that she is under them as at now and they show that tendency. Also 1 or 5% is not sure of her answer. 18 or 90% however said it is not likely that they will encounter any objection if they decide to be self employed.

Table 4.2.11 Whether Religion is a Constraint to Female Self Employment

Respondents	Frequency	Percentage
Yes	0	0
No	19	95
Not Sure	1	5
Total	20	100%

The table above disputed the contention that religion might have constraint some females from aspiring to establish a business of their own, as 19 out of 20 or 95% out of 100% of respondents answered to the contrary. The remaining 1 or 5% of the respondents seems not sure.

4.3 Summary of Findings of Responses by Graduates

Table 4.3.1 Sex of Respondents

Respondents	Frequency	Percentage
Male	19	54.3
Female	16	45.7
Total	35	100%

Table 4.3.2 Religion of Respondents

Religion	Frequency	Percentage
Islam	23	65.7
Christianity	12	34.3
Others	0	0
Total	35	100%

Table 4.3.1 and 4.3.2 are just to show the representation of sexes and the two major religions in Nigeria among the respondents. The number of male that responded were 19 and female 16 representing 54.3% and 45.7% respectively. Similarly out of the 35 of the respondents 23 or 65.7% are of the Islamic faith while 12 or 34.3% are Christians.

Table 4.3.3 Institution Attended

Institutions	Frequency	Percentage
A.B.U. Zaria	12	34.3
Kaduna Polytechnic	10	28.6
Kaduna State Polytechnic Zaria	2	5.7
Others	11	31.4
Total	35	100%

As shown in Table 4.3.3, graduates from various universities were consulted with Ahmadu Bello University (ABU) Zaria having the highest number of 12 or 34.3%, Kaduna Polytechnic 10 or 28.6%, 2 or 5.7% are graduates of Kaduna State Polytechnic Zaria. Others are graduands of institutions outside Kaduna State which include Abubakar Tafawa Balewa

University Bauchi, University of Uyo, Abuja and Usman Danfodio University Sokoto.

Table 4.3.4 Responses on Whether the Graduates Have Completed Their N.Y.S.C

Respondents	Frequency	Percentage
Yes	21	60
No	14	40
Total	35	100%

From the above table (4.3.4), from the graduates, 14 of them or 40% are still doing their National Youth Service while 21 or 60% have completed and are either employed or unemployed.

Table 4.3.5 On Whether Those That Completed Their N.Y.S.C. Are Employed

Respondents	Frequency	Percentage
Yes	10	47.6
No	11	52.4
Total	21	100%

Out of the 21 respondents that have completed their NYSC, only 10 (47.6%) employed mostly as teachers and very few employed in other sectors. About 11 or 52.4% are not employed, out of this number only 3 or 27.3% are self employed. This shows that 8 of them are actually doing nothing but going round from one office to another looking for paid employment instead of

venturing into a kind of business as many of them indicate their wish to be employed by Government or company

Table 4.3.6 On How The Respondents Wish to Be Employed

Respondents	Frequency	Percentage
Government	13	37.2
Company	7	20.0
Self	11	31.4
Any	4	11.4
Total	35	100%

From table 4.3.6, it is obvious that most graduates come out of school with the intention to gain government employment as 13 of the respondents representing 37.2% wishes to be employed by government, while 7 or 20% would like to be employed by a company. 11 of them or 31.4% wishes to be employed by self, however, 4 of the respondents or 11.4% will be happy with any gainful employment.

Table 4.3.7 Whether Course Studied in Tertiary Institution is Relevant to Self Employment

Respondents	Frequency	Percentage
Yes	24	68.6
No	9	25.7
Not Sure	2	5.7
Total	35	100%

The above table is showing that most of the respondents believe that the course they studied will determine what they will do as self employed personnel. 24 of them or 68.6% has this belief. These courses include, HND Home Economics, B.Sc. Agric, B.Sc Mechanical Engineering, B.Sc Pharmacy, LLB, HND Accountancy, B.Sc Business Administration etc. These the researcher noted are all professional courses. However, 9 or 25.7% of the respondents expressed the fact that the courses they studied may not have direct relevance to self employment, thus will not determine what they will do. These courses include B.Sc (Ed), B.Ed, PGD, HND statistics, B. English etc. they agreed that for self employment a course like business administration will be more relevant. 2 or 5.7% of the respondents are not sure whether the course studied will determine what they will do or not.

Table 4.3.8 On Whether Self Employed Now

Respondents	Frequency	Percentage
Yes	5	14.3
No	30	85.7
Total	35	100%

It is now an open secret that one can be self employed at the same time an employee of Government or company which is done in the bid to make ends meet.

Thus this question (Table 4.3.8) was posed to all the respondents. 30 of them or 85.7%are not in any way self employed, only 5 or 14.3% of the respondents are self employed. Out of these 5, 1 is still serving his NYSC, 1 is employed and 3 have completed their NYSC but are not paid employed.

Table 4.3.9 Whether Agencies for Employment Opportunity Creation are Achieving Their Objective

Respondents	*Frequency*	*Percentage*
Yes	13	37.1
No	13	37.1
Don't Know	9	25.8
Total	35	100%

The respondents were asked to state the agencies they know assists individuals towards self employment, obviously they know a lot of such agencies, some of the ones mentioned include the following - Family Economic Advancement Programme (FEAP), National Directorate of Employment (NDE) Commercial Banks, Family Support Programme (FSP)

Table 4.3.9 wanted to know their views on the achievements of such agencies. 13 or 37.1% of the respondents are of the view that they have achieved their objective while same number and percentage thought the contrary, 9 or 25.8% said they don't have an idea on the issue

Table 4.3.10 Any Perceived Objection to Self Employment by Husbands or Parents

Female Respondents (Only)	Frequency	Percentage
Yes	2	13.3
No	13	86.7
Total	15	100%

Only 2 or 13.3% of the female respondents believe that they will have an objection from either parents or husbands if they decide to be self employed, with the reason being for fear of exposure to sexual harassment and lack of trust to commit adequate capital. Majority of the female respondents that is 13 or 86.7% do not perceive any objection to their becoming self employed.

Table 4.3.11 What of Religious Restraint

Female Respondents	Frequency	Percentage
Yes	0	0
No	15	100%
Total	15	100%

Out of the 15 female respondents, 7 are of Islamic religion while 8 are of Christian religion, thus the two major religions are well represented. The table above (4.3.11) showed that all the 15 or 100% of the female respondents expressed their belief, that their religion does not provide any restraint to their self employment. What might look like a restriction is on the muslim side who further explained that employment has to be necessary and the female has to be properly dressed when going out. (Meaning covering the entire body except the face and palm of the hands)

4.4 Summary of Findings of Responses by Self Employed Personnel

Table 4.4.1 Age of Respondents

Age	Frequency	Percentage
21 - 25	3	20.0
26 - 30	5	33.3
31 - 35	4	26.7
35 - 40	3	20.0
Total	15	100%

Table 4.4.2 Sex of Respondents

Respondents	Frequency	Percentage
Male	8	53.3
Female	7	46.7
Total	15	100%

Tables 4.4.1 and 4.4.2 are evidence of a delibrate effort by the researcher to have a fair representation of all ages and sexes in the respondents chosen. Table 4.4.1 shows that 3 of the respondents are in the age category of 21 - 25 years representing 20%, 5 respondents are within the 26 - 30 years representing 33.3%, 4 or 26.7% are within the 31 -35 years of age while 3 or 20% are within the range of 35 - 40 years.

Similarly, questionnaires were issued to both sexes as seen in Table 4.4.2. with 8 males representing 53.3% and 7 females respresenting 46.7%

Table 4.4.3 Whether Respondents are Degree Holders

Responses	Frequency	Percentage
Yes	6	40.0
No	9	60.0
Total	15	100%

The researcher wanted to know, how many of the respondents are actually holding a degree or its equivalent. This is to see how often degree holders actually establish their own business. Table 4.4.3 shows that of the 15 responses, 6 of them or 40% have a degree level education while nine or 60% do not have. Out of this number 5 are educated to Ordinary National Diploma (OND) level. This shows that against all odds many graduates are opting for self employment with many more going into it even before they obtain their first degree

Table 4.4.4 On Whether Ever Been Paid Employed

Responses	Frequency	Percentage
Yes	6	40.0
No	9	60.0
Total	15	100%

Six or 40% of the respondents were once paid employed or even still under paid employment. Interview has shown that some of those that left paid employment did that due to poor remuneration and also because of their zeal and interest to be on their own. Others were laid off in their places of work. It was also noticed from the responses that three of the 15 respondents or 20% are

still under paid employment while they also conduct their business which include running a saloon, farming and carpentary.

Table 4.4.5 Is Business Booming?

Responses	Frequency	Percentage
Yes	9	60.0
No	3	20.0
Average	3	20.0
Total	15	100%

From the above table 9 of the respondents or 60% answered positively that business is booming while 3 or 20% answered negatively. Similarly, 3 or 20% has the believe that business is neither good nor bad i.e. they are just breaking even.

Those whose businesses are successful attrributed that to good patronage, their commitment and knowledge of business management. Stiff competition seems to be the greatest problem of those whose businesses are not performing well, infact, competition is the greatest challenge facing all the respondents in their business activities.

Table 4.4.6 On Whether the Respondents Received Training in Management?

Responses	Frequency	Percentage
Yes	8	53.3
No	7	46.7
Total	15	100%

Eight of the 15 respondents or 53.3% had certain training on Business Management while 7 or 46.7% did not, out of these 7, 3 believe that their business is failing while another 3 said that their business performance is average. It is therefore obvious that, knowledge of business management no matter how rcdumentary will go a long way in assisting self employed persons to better their businesses and to raise higher their chances of surviving in this highly competitive business environment.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The previous chapters were based on the management of small business enterprises as it relates to Graduate self employment. Hypothesis bordered on the relationship of knowledge in business management and successful managing of a business, the relevance of courses studied in tertiary institutions to self employment and the relationship of age and sex in the sustennance of a business enterprise.

The necessary books, were consultated to present literature review, hence a review mostly concerning the establishment of a new business and other issues as it concerns good management of such a business was made and relevant information extracted.

In order to obtain the relevant data, two methods of data collection were adopted - These are questionnaire complemented by interview on areas not adequately covered by the questionnaire, as a response to the questionnaire usually bring up other questions. Indeed, documents were also used as a source for data collection. Three categories of people were issued with the questionnaire as they are all vital to arriving at conclusion in this research work, they are the under-graduates, the graduates and the self employed personnel. A different questionnaire was also prepared for the National Directorate of Employment this is so because the researcher has decided to make a lot of reference to the activities of the Directorate being a well known agency that seeks to address the graduate self employment issue.

In the presentation and analysis of collected data, questions from the three questionnaires for under-graduates, graduates and self employed personnel were carefully analysed using statistical techniques such as tabulation, using frequency and percentages leading to the following findings:

1. Our educational system still emphasises paid employment rather than self employment.
2. Some courses studied in tertiary institutions do not have relevance to possible self employment.

3. Difficulties in acquiring capital is a deterrant to most graduates wishing to be self employed
4. Knowledge of the act of business management enhances the development and sustenance of a business
5. Age and sex do not have a serious relationship to a successful business enterprise
6. Religion is not a constraint to women self employment.

5.2 Conclusion

Graduate self employment is achievable, but the grooming ground towards the achievement is the tertiary institution, it is here that the now matured individual can be encouraged to chose a course that is relevant to not only the job he wants to do, but also the business he may wish to do. Since the candidates prefer to chose their courses, encouragement and guidance towards a rightful choice is very important. Graduates, do establish businesses that has not relevance to the course studied, as such courses cannot be effectively used in self employment ventures such graduates venture into self employment without much (or even any) knowledge on how to manage the business. It is therefore not surprising that most newly established businesses hardly stand the test of time before it ceases to exist.

Indeed lack of training in business management is not the only reason for business failure, other reeasons include inadequate capital, lack of dedication, disloyal subordinates, erratic power supply, high cost of transportation, inexperience etc. nevertheless, good training on business management may overcome all other shortcomings that may be faced by a new business entrepreneur.

Another crucial factor for establishing and sustaining a new business is capital, where do the graduate acquire the necessary capital needed for his business take off? The answer is probably "No where", it is just like a game of chance to the Graduate, he tries to look everywhere, as official places to

acquire the capital in form of loans such as banks, finance houses etc make loan acquisition difficult. It is obvious from the responses that it is not an easy thing to obtain loan any where especially for new business entreprises, this is seriously limited by stringent collateral and numerous administrative requirements of the organised financial sector while the informal financial markets usually evolve a high cost of borrowing. It is worth mentioning here, that finance is the life blood of any business, absence of adequate finance leads to low purchase of raw material, low production output, poor sales, low profits and possibly total failure. For any meaningful participation of graduates in small business enterprises the more common way of starting, that is by personal savings, acquisition of credit from relatives and friends and the gradual and very slow means of adding capital out of the business profit to expand the business must be improved upon. The situation where banks hesitate to finance small businesses for fear of failure or where the modest loan required by the small business entrepreneur is seen by commercial banks as too small to be entertained while business transaction with large business organisation like the multinationals are preferred because of the large profit to be derived, does not augur well for the country's efforts towards industrialisation and self reliance of its citizens.

Relying on oneself is not a new idea to the under-graduates talkless of the graduates. Many of the under-graduates indulge in one business or the other while pursuing their academic studies, all they need is the necessary support especially by government to continue on graduation on a more dynamic manner to be self sustaining.

A lot of emphasis is placed on paid employment, this emanates from the educational system in tertiary institutions which impress on the students that paid employment is desirable and is waiting for them on graduation, thus many graduates would rather be paid employed than self employed which according to them will give better exposure and security. This attitude will

certainly change if the challenge towards the attainment of self reliance of the Nigerian populace is faced with all seriousness. There is reluctance of gradugates to take up self employment. This situation must be reversed.

The banks reluctance to transact business with graduates wishing to establish businessesof their own is due to the youthful nature of such graduates which may make the risk higher as these young people are seen as prone to misbehaviour and mismanagement. To enhance the public acceptability and trust, the commandering outlook must be seen in the graduate. Perhaps, for successful graduate self employment effort should be made to ensure that graduates come out of higher institution more matured than what obtains now. Age is related to experience of life itself. It can assure people that the graduate is mature and he can be trusted with people's money.

Equal educational opportunities for both male and female children is now an undisputed issue that is understood by parents. However, while the men disengage early in life from the parents to be independent, the situation for the women is different as even at the time of disengagement from the parents, it is most likely that she marries and be under the influence of her husband. The decision whether the woman is allowed to be self employed would lie with either the parents or husbands as the case may be. It is soothing to state that women are not deterred from pursuing any reasonable means of self reliance. There is however element of lack of trust in the capabilities of woman to withstand the rigours of running a business which should not be the case. In the few instances where women are prevented, the fear of sexual harassment is another factor.

Islamic religion do not forbid women from going out to seek for their livelihood as many people believe, but there are rules that has to be observed by the muslim woman when going out for anything, such as covering the body adequately, also her going out to work must be absolutely necessary. In todays Nigeria the necessity for most muslim women to fend for themselves to keep body and soul together is obvious. Religion is therefore not a constraint to self

employment provided every rule laid down to this effect for the muslim woman is observed.

The National Directorate of Employment (NDE) is a very important agency for assisting different categories of people that are unemployed to form viable businesses of their own. This will certainly help the individuals but more importantly the Nation in so many ways such as industrialisation, economic growth, curbing of crimes and lawlessness and general development.

For the graduate, which the researcher is more particular about, the NDE has special programmes for them such as Start Your Business (SYB), Entrepreneur Development Programme (EDP), Improve Your Business (IYB) programmes, within all these programmes there are provision for loans, the amount is based on the feasibility report submitted on the intended business. It is rather unfortunate to note that, the NDE is now very reluctant in dealing with graduates, this is because after collection of the loan, they disappear without making any effort in repayment. While they insist on obtaining a paid employment.

The researcher is however, optimistic that if some of the recommendations to be proferred are to be considered the situation will change. Definitely, the under-graduates need to be psychologically prepared, for them to take the issue of self employment seriously.

5.3 Recommendations

1. For successful Graduate Self Employment, our educational system which only trains graduates as job seekers rather than job creators must be reviewed. Adequate developmental process should be put in place to guarantee the functionality of education imparted to students throughout the primary, secondary and tertiary institutions. Issues of intrepreneurial development at all levels should be addressed by inculcating in the students very early in life the ability to become job creators, inventors and employers of labour in an enabling environment.

2. Specific attention should be given to under-graduates by ensuring that some aspect of business administration and management is made compulsory to them to academically prepare them for the task of business management that can readily be used when the need arises. This should be regardless of their courses of study..
3 At the secondary level, formal educational system need to be carefully reviewed to have less emphasis on higher education, but more attention to vocational and technical training.
4. Government industrialisation policy should include the encouragement of small business enterprises, since smaller firms are less capital intensive and more labour intensive. This encouragement can be in the form of adequate credit fercilities and the effective organisation and operation of small business advisory consultancy services to train, advise, and provide information, quality control as well as product marketing and financial management techniques.
5. Agricultural policy should aim not only at increased output but also at increased graduate employment into the system using labour intensive techniques on small and middle sized farm units.
6. Loan administrators must be encouraged to issue soft loans to the graduate entrepreneur with less difficulties of collection and repayment. At the same time, the loan administrators should give loans to people who can utilise it profitably and for the purpose which it is given. Loan beneficiaries should not regard government or bank loans as a National Cake to be shared among themselves only, without any effort for repayment.
7. Government should establish a machinery to encourage the general public to patronise the small business entrepreneurs by purchasing their relevant products. This can be done by ensuring that such products are seen as patronised by the government agencies.
8. While it is desirable for a graduate to establish a small scale business of

his own such as tailoring, restaurant business, farming, barbing/saloon, poultry etc. it is however more desirable that they should try and pull their resources together and form partnership or even limited liability companies, this will certainly draw government attention to them. Hitherto, government policies towards the business community has always favoured the multinational companies which exploit fully, the situation to the detriment of small businesses. This trend should not be allowed to continue, small business enterprises firms are the backbone of any economy, therefore they must be encouraged to flourish

9. Age, as mentioned earlier determines the level of maturity as it relates to experience of life itself. There is every need to improve on the age of entry into the tertiary institutions, for instance age limit of entry into primary school can be made to be seven (7) years, primary school should be class one (1) to seven (7) as was the case before. This will ensure that children will begin their secondary education at fourteen (14) years and above rather than the current age of ten (10), eleven (11) or even nine (9) years. This will ensure that candidates going into tertiary institutions will be twenty (20) years and above. Apart from the fact that on graduation candidates will be more matured to face the rigours of self employment, they will even exhibit more maturity in their activities while in school thereby earning for themselves respect and trust on graduation. Moreover, at twenty (20) years candidates that could not gain admission into the higher institution can effectively fend for themselves as apprentices or in other smaller business ventures.

10 Establishment of the National Directorate of Employment by the government is the right step in the right direction towards solving the issue of unemployment in Nigeria. The Directorate must be strengthen

financially and operationally to properly tackle the Graduate Unemployment issue. It is obvious that the agency has many programmes for the self sustainance of graduates, what is lacking is proper supervisory and follow up machinery to ensure compliance with all arrangements made between the agency and the beneficiaries. Government must adequately provide funds for the proper execution of the Directorate's programmes while the Directorate itself must be sincere in its operations towards the realisation of Government's objectives.

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APPENDIX I

Questionnaire for Undergraduates on the Issue of Having our Graduates Aiming to be Self Employed

Please fill in the Blanks

1. Name of School ----------
2. Level ----------
3. *Course of Study* ----------
4. Age ---------- Sex ---------- Religion ----------
5. Did you Chose the Course or it was Chosen for you? ----------
   ----
6. Would you rather offer another course? ----------
7. If yes which course and why? ----------
8. What would you like to do in future? ----------
9. Right now are you in any business? ----------
10. If yes, how did you start and why? ----------

    -
11. When you graduate, are you interested in becoming self employed or paid employed?
    ----
12. Give reasons to the answer above

    ----
13. Does what you are studying now has firect relevance to what you are to do in future?
    ----
14. If you are to be self employed what will you do? ----------
15. What course would be relevant to your being self employed? ----------
    ----
16. Will your parents/husbands object to your becoming self employed after graduation?
    ----

17. Please give reason(s) to your answer above ----------

---

18. Is religion in anyway a constraint towards your being self employed?

---

19. Please expantiate on your answer above

---

20. General

Please give suggestion on effective ways and means to achieve a successful graduate self employment

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APPENDIX II

Questionnaire for Graduates on Graduate Self Employment

Please fill in the Blanks

1. Age ---------- Sex ---------- Religion ----------
2. Qualification ----------
3. Date of Graduation ----------
4. Institution you graduated from ----------
5. Have you completed your N.Y.S.C.? ----------
6. If no what job are you doing as N.Y.S.C. Member? ----------
7. If yes what job have you done as N.Y.S.C. Member? ----------
8. Are you employed now? ----------
9. In what capacity? ----------
10. If no, why? ----------
11. Will you want to be employed by the Government, company or by self?

    ----
12. Give reason(s) to your answer above ----------

    ----
13. If you want to be self employed how do you get the capital to start and what would you want to do? ----------

    ----
14. Will the course you studied in the tertiary institution attended, determine what you will do? ----------
15. If no, what course do you think will be more relevant to the business of your interest?

    ----
16. Are you now self employed? ----------
17. If yes comment freely on your success or shortcoming

    ----
18. What are the government establishment or programmes you are aware of that assist individuals towards successful self employment? ----------

    ----

19. Do you think they 've achieved their objectives? Why? ----------

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20. Please give suggestions on ways to achieve effective graduate self employment

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21. Do you think you will have objection from you husband or parent if you decide to be self employed? ----------

22. Give reasons to your answer above

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23. Is there any religious restraint to your being self employed?

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24. Comment freely on any other problem you might have as a female who wants to be self employed

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Thank you very much.

APPENDIX III

Towards Graduate Self Employment
Questionnaire for Self Employed Personnel

Please fill in the Blanks

1. Age ---------- Sex ----------
2. Religion ----------
3. Type of Business ----------
4. Year of Establishment ----------
5. Are you a degree holder? ----------
6. Institution studied ----------
7. Course studied ----------
8. Have you ever been under paid employment? ----------
9. If yes why did you turn self employed? ----------
10. Are you both paid employed and self employed? ----------
    ----
11. Give reasons if the above question is applicable to you

    ----
12. In you opinion is your business booming or going down?
    ----
13. Please give reasons to your above

    ----
14. As a self employed what challenges are you facing?

    ----
15. How will you tackle such challenges?

APPENDIX IV

Questionnaire for the Management of N.D.E. on Graduate Self Employment

Please fill in the Blanks

1. Age ---------- Sex ----------
2. Post ----------
3. For how long have you been working for NDE? ----------
4. Specifically what are your major duties? ----------
   ----
5. How do you attract graduates to participate in your programme? ----------
   ----
6. What kind of training do you give such graduates? ----------
   ----
7. Please give brief explanation on how to apply as a graduate into the programme
   ----
   ----
8. What are NDE's achievements with particular reference to graduate Small Scale Industries Programme?

   ----
9. What are NDE's achievements generally?

   ----
10. What are the problems facing NDE?

    ----
11. What are NDE's future plans? ----------

Money Talk$

Starting Your Own Business

DO you constantly daydream at work about the changes you'd make if you were the boss? Was your last promotion during the Carter Administration? Is your creativity left outside the office door? Are you ready to take control of your destiny?

If you answered a resounding yes, you're probably ready to take the leap and start your own business. And you'll have plenty of company. According to John E. Robinson, president and CEO of the National Minority Business Council Inc., nearly 425,000 of the nation's 1.2 million minority-owned businesses are owned by Blacks. "But before you take that plunge and quit your job," he cautions, "be well prepared."

Do a little soul-searching. Ask yourself if you honestly have what it takes to be a shot-caller. Welcome critiques from others. Write down your talents, hobbies, skills and goals, and try to find a business that combines your interests. Most importantly, "make sure [the business] is something you enjoy doing or making," says Cheryl D. Broussard, author of *Sister CEO: The Black Woman's Guide to Starting Your Own Business*. "If you don't have that passion, it's difficult to be successful."

Once you decide on the right business, write out a mission statement—a few lines that tell what you hope to achieve with your product or service—to give you focus and guide you in writing a business plan. Next, do your homework to find out all you can about the business. Visit the library, the bookstore, your local college's business development center. Surf the Web. Contact the Small Business Administration. Get advice from others with similar businesses. Identify your competitors. Observe what they do and improve on that formula. The more you know, the greater your chance of success.

After you do your research, come up with a business plan. Experts say that your plan should cover at least your first three years of operation and include specific goals you want to attain in that time. However, Broussard assures that you don't have to write a "30-page effort—just something to give you an idea of what you need to do to start and how you plan to sell your product or service."

A fundamental part of your plan is creating an effective marketing strategy. Having a good product or service means nothing if no one knows you exist. Determine the best way to reach the public, through classified ads or flyers posted in your neighborhood. Initially, focus on people most likely to purchase from you so that you can get your money's worth. Also, if you're selling a product, choose the most cost-effective way to get your goods to the public, perhaps by mail order, a booth at a local bazaar, or even door-to-door.

Your business plan also should include a statement of purpose that gives your reason for going into business and also tells why your product or service is needed by the public. If you're selling goods, you also need to include manufacturing information such as the cost of raw materials, where you will purchase them, and who will make the product (you alone, you and relatives, or a separate manufacturer). And don't forget to set a price that allows you to make a reasonable profit.

Remember, it's essential to have a good plan, so don't overlook this crucial step. "Without a plan," Robinson says, "you're planning to fail." No matter how good your plan is, though, your business can't run on air. Office supplies, advertising, licenses, and, of course, inventory, all cost money. Be prepared to raise the initial capital by yourself, experts say, since financial institutions rarely lend money to new entrepreneurs. Broussard planned and saved for five years before starting her California-based money management firm, putting any extra money, such as income tax refunds, into a special account. The *Sister CEO* says that if you squirrel away $1,000 or $2,000, you can start a part-time business. But please don't quit your day job, at least not yet. You need your primary income to survive and to support your fledgling company. "And remember, that [savings] is just for your business," Broussard says, "so don't dip into it to pay the rent or your child's tuition."

To keep your costs down, experts say you should work out of your home until your business grows. "Don't go out and rent expensive office space," Robinson says. "You're better off cleaning out the basement or taking a guest room and converting it into an office." If you have a business that requires you to meet with clients, consider renting space in a shared office suite, which costs less since you take turns using it with other people. Also, think about teaming up with a partner to help offset costs. Just make sure you pair with someone trustworthy, reliable, responsible, and one who shares your goals.

And when storms come your way (and they will), have the patience to weather them. "Most people who are successful in business did not become successful overnight," Broussard says. "The rule of thumb is five years. Once you get over that five-year threshold, then you know you're really in business."

Finally, be ready to sacrifice a few luxuries, especially when you turn a part-time business into a full-time venture. "You won't be able to do all those things you did before," Robinson warns. "You even may find yourself working around the clock. But the satisfaction is that it's your business; you can pass it on to your children and no one can downsize you." □

APPENDIX VI



Are you going solo?

By Jude Arijaje

Today, there are so many youngmen (and women) who believe that the days of paid employment are over. In fact, to them, working for anybody is old fashioned and the earlier they get out of it, the better.

Due to the crunchy economic situation in the country, more and more people are under-employed. But the truth is many are pushed into entrepreneurship not by a lay off, but by a genuine desire to be on their own. They want to call their own shots, be their our bosses, create ideas and surely, maybe before too long, make bundles and bundles of money.

Do you fall into this group? Are you planning to join the growing army of those on their own? Do you plan to take your destiny into your own hands?

If the answer is yes, an emphatic yes, then you have to take a long hard look at the route you have to take. The most important question you have to ask is; Do you have money? Do you have capital to finance your dream?

Investment analyst, Seun Aderanti of Citi Investment, Lagos, said that from "available statistics, most small businesses are failing because of the uncertain and unpredictable situation in the country."

Even if all things are equal, (they can never be in business) and you have the best business idea in the world (you do, don't you?) you can fail by not doing a serious reflection of how to go about the business.

So before you tell your employers "I quit!", before you clear your desk in a hurry, you have to ask yourself some questions. The answers would keep you from making a costly heart rending mistake that could change your life.

Anne Fisher in the current edition of *Fortune* says the first question you need to ask is if you have the right personality to run your business. "You really have to be ruthless in assessing your strength and weaknesses and in thinking of what you want to do in the first place", says Terri Lonier whose website, *www working solo.com*, offers a free newsletter for would-be entrepreneurs. Aderanti agrees and says that "if you are not honest with yourself, you will be in business." He also advises that if you want to be on your own because you are unhappy with your job, you would be far better looking for another job instead.

If you are on your own, you must also be ready to do everything. This readily translates to the question: are you ready to do everything? In a big company, you might do well as an expert in your field, but in your own company, you must be ready to be a master of all trades especially in the critical early stages where you have to understand it all yourself. The amount of time you spend trying to build your new business can drive a corporate manager who relishes leisure back to the corporate world.

Is your family behind you? This is important because if it is necessary for you to lower your living standard, you need your family's understanding. What your spouse or kids think is very crucial at the early stage of business.

You must also be prepared to wait for success? If you are not patient, it is obvious that the new business will be put under tremendous pressure. Instant wealth is almost impossible. If you've been reading of fast growth and quick riches, then your place is in Eko lottery. The number one rule in a new business is survival first and then success later – however long it takes you.

A lot of businesses fail because many small scale entrepreneurs lack sales experience especially in the critical early years. Do you have sales experience? Do you have marketing ideas? Do you get easily discouraged? Do you believe so much in your product that you believe that people will always want it without thinking of actually how you intend to sell? You must know that it is difficult, and very expensive too, in today's labour market for you to get a good sales manager. So what it means is that you have to sell yourself and you have to do it very well.

How many hours do you plan to put into the days' job? Do you take a snooze on the job? If you work for somebody, you can postpone a meeting with a client, but if you work for yourself, disappointing clients can make the difference between thriving and starving. Do you socialise just for boozing sake or you try to use the time to create a wealth of connections with all those necessary to give you a boost?

In most corporate environment, all the connections probably were in place before you walked in. Now that you are going solo, you have to build and manage contacts, old and new, and surely, it's not an easy task. Networking all these people could at times be very boring, but you ain't got any choice if you want to pay your bills regularly.

"Put yourself on this scale

- **How much are you worth in cash, capital and goodwill?**
- **How ruthless can you be in assessing your strengths and weaknesses?**
- **Are you willing to take Jack-of-all-trades as your middle name?**
- **Do you have your family's support**
- **Do you pay attention to details and planning"**
- **Can you build goodwill?**