

**Entrepreneurship and Small Business Development Needs:  
The Role of Training Intervention to Increase the Probability of Success  
- A Critical Discussion -**

**By**

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**1. Introduction**

Entrepreneurship plays significant roles in economic growth and small business success. The link between entrepreneurship and economic growth is attributed to Schumpeter's (1934) notion of creative destruction where new innovations by entrepreneurs destroyed older markets and fuel new growth. Some experts recognise that entrepreneurship supports economic growth by turning knowledge into new products, thus creating new jobs and new firms (Evans et al, 1989; Audretsch and Thurik, 2004; Carree and Thurik, 2005; Camp, 2005). Its importance, notwithstanding, there are two strands of argument on entrepreneurship development; some opine that entrepreneurs are born and others argue that entrepreneurs can be created through entrepreneurship training (Wickham, 2001).

One of the major challenges in the private sector of many developing countries such as Cameroon in sub-Saharan Africa is the lack of successful business development. At the critical stage of their development path, these countries require businesses that withstand not only the challenges in production, distribution and marketing, but also create employment for a population that grows on average at 3% per annum. However, a significant amount of businesses start and fail almost immediately. A study of small business development in Cameroon (Forje 2006) showed that many small businesses fail within six months to two years, and the few that survive suffer stagnation.

In contemporary business creation and management, common sense is observed to dominate. Entrepreneurs using commonsense could be seen to belong to the class of entrepreneurs who are assumed to be 'born' or having low educational background and influenced by the entrepreneurial traits inherent in them alone. Influenced by traits, their beliefs influence them to establish a simple and unscientific approach to opportunity identification. With business becoming more scientific-oriented, complicated and competitive, commonsense needs to be backed by entrepreneurial knowledge to enable a strategically oriented approach to opportunity identification.

A study of small businesses in steel closure areas assisted by British Steel Industry, for example, identified a group of small businesses which were expanding both their sales turnover levels and their workforces. The report stated that: "A noticeable features of these businesses was that, they were run by managers or a combination of managers and technical people. Businesses which were either static or declining were run by skilled technical or trades people, lacking in business training and management experience" (Standworth 1992).

Ning, E.N., 2010, *Entrepreneurship & Small Business Development Needs*, *The Entrepreneur NewsOnline* Standworth (1992) citing the The Bolton Report points out that, the majority of small business proprietors have no professional or other formal qualifications in management. They run their businesses on the basis of their experiences and common sense. This may be very effective so long as the scale of the business activities remains small; enough for one man to control and no crisis overwhelms their pragmatic management. However, eventualities like significant growth or a need to consider drastic changes in the business policy is likely to reveal the need for entrepreneurial specialist skills which are most unlikely to be found within the average small businesses (Standworth, *ibid*).

## **2. Entrepreneurship Training as Nucleus to Business Skills Development**

Business success and development are associated with entrepreneurship. In fact, entrepreneurship is often equated with new venture creation and small business development (Gibb 1996). According to Burns (2001) the ability to spot opportunities arising from change and to innovate are the two most important distinguishing features of entrepreneurs. Innovation is the prime tool entrepreneurs use to create or exploit opportunity, and businesses that grow; do so because they innovate in some way. Some scholars recognise opportunity identification as an important component of entrepreneurship (Ardichvili, Cardozo and Ray, 2003; Gaglio and Katz, 2001).

Although entrepreneurial traits are inherent in some persons, entrepreneurship can be taught to encourage and enable the creation and development of small business. In most countries, members of some community could be observed to lean towards private enterprise, inheriting family owned businesses and learning the trade of business development hands-on. While such business practitioners gain experience over the years, they will eventually require professional business assistance and coaching, as the enterprise grows in size and diversifies. However, in communities and societies where business creation and management is foreign to the family or community history, the techniques of entrepreneurship and business management must be taught to promote conception, creation and management of business. In both entrepreneurial and non-entrepreneurial societies, therefore, there is need to train and direct the people toward entrepreneurial skills.

Training has made important contributions to most of the planned changes occurring in societies and businesses in particular. Harsh et al (2005) assert that training is a powerful force in shaping assumptions that influence people's views. Proper training is likely to encourage and promote sustainable business development. Training people in the society to think and behave entrepreneurial has a synergic effect for individuals and business success and sustainability. Such training is not unusual. For example, in July 1894 the Meiji (Japanese) government established regulations for apprentice schools and began to orient apprentices towards industrial production. This marked a change in the Japanese industrialisation process. There was a move away from handicraft training based upon the traditional apprentice system to technical training using modern scientific technology (Toshio, 1987). People, especially the youths need to be given appropriate entrepreneurial training that empowers them with the ability to identify business opportunities existing around them and beyond. Opportunity identification is the starting point of industrialisation, but not the whole story. Developing countries such as Cameroon and South Africa could draw lessons from the Japan experience and other success stories especially in Asia where private sector initiative is a significant determinant in their socioeconomic progress.

The foundation of such entrepreneurial development could be receptive to the minds of youths characterised by the ability to learn at early age. There thus is a strong need to empower especially the youths at all levels with

Ning, E.N., 2010, *Entrepreneurship & Small Business Development Needs*, *The Entrepreneur NewsOnline* knowledge of entrepreneurship; to enable them identify business opportunities, start small businesses under the canopy of good management and pull families not only out of poverty but launch the path to wealth creation. Identifying business opportunities will not only provide an alternative for the unemployed, but promote the use of available domestic resources for economic growth. Entrepreneurship is both about creating and facilitating a product to its final journey to a market. The knowledge obtained as (Skene 2002) suggests would enable economic manifestations that are business seedbeds.

The rationale for training hinges on the premise that a scientific approach gives room for thorough direction of the small business towards success and sustainability. Carrying out such a process requires entrepreneurship training to enable the identification and development of sustainable business, which according to Schumpeter cited in Balabkins and Aizselnied (1975:119) breaks through a market with rare qualities – personal force and vigour.

### **3. Empirical Examples of Entrepreneurship Training as Panacea to Efficiency**

The existence of inefficiency in small businesses in developing countries is often seen as a substantive argument for training programs (Anderson, in Walter, 1988). Efforts to boost the efficiency of small businesses have usually taken the form of teaching existing entrepreneurs specific skills. Empirical examples abound were training programmes have been designed to turn people with no previous business experience into entrepreneurs. Such programs often concentrate on restless employees or unemployed school leavers and graduates. They rely heavily on psychological techniques to encourage motivation (McClelland in Walter 1988). The Entrepreneurship Development Program in the Indian state of Gujarat is a typical example although it was intended to train people from the least industrialised parts of the state. For the period 1970 to 1984, the program ran over 300 courses involving nearly 8,000 participants in 130 locations. Some 60 percent of those trained went on to set up their own businesses of which 75 percent have been profitable (Bhatt in Walter, 1988).

In Kenya, the Kenya Technical Teachers Trainers College (KTTC) started entrepreneurship training in 1990. The overall goal was to develop graduates with knowledge and skills to serve as trainers, researchers and administrators of programs supporting small business development. The KTTC, now offers a diploma course while the degree course has been institutionalised at the Jomo Kenyatta University of Agriculture and Technology (JKUAT) which offers postgraduate degree training in entrepreneurship. Many vocational, technical and technology institutes in Kenya now offer entrepreneurship training (ICEG, 1999).

With the new dispensation in its higher education policy, Cameroon now emphasises professionalism and entrepreneurship training in its Universities. Cameroon government's effort on entrepreneurship policy experimentation aims to expand the availability of entrepreneurship training at all levels of the education system - from primary schools to university, so as to nurture home-grown businesses based on existing assets and resources, on a three-pronged feasible outcome of increasing the number of new businesses; increasing the growth rate of new and existing businesses; and improving the overall climate for new and emerging firms. While this is a new experience to staff, students and parents, and since this effort is in its infancy, it is premature to make pronouncements on the successful outcome of this policy shift.

In the United States of America, however, entrepreneurship training has been pursued extensively for several decades (Vesper in Allan, 1993). Interest and activity in this area has expanded in recent years into Canada

Ning, E.N., 2010, *Entrepreneurship & Small Business Development Needs*, *The Entrepreneur NewsOnline* (Bechard in Allan, 1993), and in Asia, there are now major experiments in several countries including Malaysia and the Philippines.

Not every inefficiency in small business development can, nonetheless, be reduced merely by entrepreneurial special training programs. For example, Rowe reports that, “most Nigerian Sawmills are producing only 10 percent to 20 percent of the Lumber that the installed machines are capable of producing” and this is given as inefficiency (Kilby in Walter, 1988). The reason may not be inefficiency in the economic sense. Most machines could technically produce more for example, by being used for longer hours involving shift work or by being operated at higher speeds. But that usually involves a higher cost that may not be covered by increased volume. The machines may have been bought because no smaller ones were available, yet in the full knowledge that the market was not large enough for full capacity utilization. This indicates that failures sometimes lie on the production side. A plethora of factors, viz. poor maintenance, failure to recognise the advantage of carrying inventory, especially the Economic Order Quantity (EOQ), and oversights of similar issues account for inefficiency. While entrepreneurship training programmes could hatch such business initiative, further training in business management and production techniques could additionally provide a cure to the challenges of enterprises.

### **Conclusion**

While there is no real evidence of improvements in performance as a result of attending a course, especially for business practitioners in developing countries, it is not enough to assert the need for training without demonstrating that it is effective. True that training teaches a skill but the skill must be capable of being taught, by the required human capacity and willing learners. The use to which the skills are put will be a function of the learner’s ability and general business awareness. This is the unique characteristic of entrepreneurship, which even Page and Steele’s careful report on small business development asserts, though the authors concede that, “there is insufficient knowledge about how to provide training effectively” (Page and Steele in Walter, 1988). The authors however, conclude that entrepreneurship training for the success of small business must be emphasised, in line with other views which suggest that without proper business training, small business development are doomed to fail. And for maximum success, entrepreneurship training must be supplemented, especially in developing countries such as Cameroon and South Africa, with programmes that emphasise access to capital; technology development and incubation; regulatory reform; and awards or recognition initiatives to increase public recognition and appreciation of entrepreneurship.

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