

# Entrepreneurial Skills and Competitiveness in the Nigerian Painting Industry

Hope Ngozi Nzewi Ph.D, Obianuju Mary Chiekezie Ph.D, Madu Ikemefuna  
Department of Business Administration, Nnamdi Azikiwe University, Awka

## Abstract

This study explored the relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry. Specifically, the study determined the nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry. The hypothesis formulated was tested with Pearson's product moment coefficient of correlation ( $r$ ) statistical technique. The result revealed that positive relationship exists between entrepreneurial skills and competitiveness in the Nigerian painting industry. It concluded that Nigerian paints are recognized and have equal demand rate with their foreign counterparts in the global market. It recommended that more market research should be undertaken so as to satisfy customers' preferences locally and internationally.

**Keywords:** Entrepreneurial Skills, Competitiveness, painting Industry and Global Environment.

## Introduction

Nigeria is reported to have the most dynamic and daring private sector in Black Africa. The competitive nature of business environment and globalization has made it imperative for manufacturing organizations mostly to work hard towards identifying business strategies that will give them an edge over their competitors (Nwekpa & Elom, 2012).

Average Nigerian Businessman has a penchant for commercial activity over manufacturing or through value adding productive operation. Despite the manufacturing activity, priority appears to be given to projects with low gestation periods. Nigerian industrialists are more inclined to occupy both ends of the investment continuum while, maintaining maximum liquidity in pursuit of maximum profitability (Ebo & Igwe, 2008).

Theoretical and empirical investigations have emphasized the crucial rule that technological innovation and entrepreneurship lay in fostering the development of today's industrialized nation. The present emphasis on indigenous technical innovation and entrepreneurship stems from the failure of the past attempts to stimulate third world development by borrowing or transferring advanced technology from developed nations (Adjebeng, 1995). Industrialization and economic development have been two of the critical interrelated and prominent objective pursued by many developing nations of the world (Akpan, 2011).

## Statement of the Problem

Nigerians and governments alike have expressed grave concerns about the ridiculous dwindling performance of the industrial organizations. The picture is more embarrassing when we compare the performance with those of other nations that started with us with similar aspirations and even with comparable challenges.

Momoh, (2012) further asserted that in the past 10 years, Nigeria's manufacturing sub-sectors' contribution to economic growth covered around 4% compared with the situation where manufacturing sub-sectors contributed to GDP in other emerging economics averaged 46%. The general assessment appears to be that our manufacturing firms lack entrepreneurial skills and competitiveness which make them churn out low value added products that cannot compete favourably in the global environment (Eboh & Igwe, 2008).

## Objective of the Study

The general objective of the study is to ascertain the relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry. Specifically, the study determines the nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry. Consequently, this study hypothesizes thus:

H<sub>0</sub>: There is no significant nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry.

## Literature Review and Theoretical Issues

### Concept of Entrepreneurial Skills

Schumpeter (1950) and McClelland (1961) assert that the whole process of economic change depends on the persons that make things happen, through initiatives, innovations and creativeness (Alumonah, 2010). Oma – Williams (2000) avers that entrepreneurship is all about change in products and services provided by any organization to meet the needs opened by opportunities.

Schumpeter (1950) states that entrepreneurship is a creative destruction, because it renders old

processes obsolete thereby creating in the course, unemployment, particularly for the employees who may lack the skills and knowledge to cope with new methods of making new products and of doing things. However in that way, new technology, knowledge, procedures and processes are acquired, thus growing and developing the economy.

### **Concept of Competition**

Elom, (2014:2), citing Blunck (2006) asserts that competitiveness can be measured differently at the three levels:

*For the company, competitiveness is the ability to provide products and services as or more effectively and efficiently than the relevant competitors. In the traded sector, this means sustained success in international markets without protection or subsidies. At the industrial levels, competitiveness is the ability of the nation's firm to achieve sustained success against (or compared to) foreign competitors, again without protection or subsidies. Measures of competitiveness at the industry level include overall profitability of the nation's firms in the industry, the nation's trade balance in the industry, the balance of outbound and inbound foreign direct investment and direct measures of cost and quality at the industry level; for the nation, competitiveness means the ability of the nation's citizens to achieve a high and rising standard of living. In most nations, the standard of living is determined by the productivity with which the nation's resources are deployed, the output of the economy per unit of labour and/or capital employed.*

Competitiveness is the ability of a firm or nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them.

### **Theoretical Framework**

The study agreed on Harvey Leibenstein, (1922 – 1994) theory which states that entrepreneurs have special ability to connect different markets and make up for market failures and deficiencies. He reviewed the three trait of entrepreneurship as;

1. Recognizing market trends.
2. Develop new goods or processes in demand but not in supply, and
3. Determining profitable activities

### **Empirical Review**

Prior studies of many scholars on entrepreneurship, competitiveness and economic growth were reviewed:

Oghene, (2010) studied entrepreneurship marketing as a factor in actualizing Nigerian Vision 2020 which were parted into three segments. The first section examined the expectations of Vision 2020 and traced the origin of entrepreneurship from the onset. The second part x-rayed the seven themes of entrepreneurial marketing. He went further to address the 'perceived' dichotomy between small and medium enterprises (SMEs) and entrepreneurship and the last segment evaluated a number of alternative marketing techniques appropriate for entrepreneurs with a focus on entrepreneurship. The study concluded that to actualize the vision 2020, the government and people of Nigeria need to re-orientate them-selves on the objective.

Alumonah, (2010) studied the powering of the Nigerian economy through entrepreneurship. In his study, he viewed entrepreneurship as a vital engine towards economic growth and development. He pointed out some vital qualities to which entrepreneurship must exhibit to power the economy. These include avoidance of greed and ability to transit in character as business grows.

Orugun, (2013) did a study on the way forward to enhance employment generation through entrepreneurial development. In his study, he viewed entrepreneurship development as the panacea to Nigeria's economic devevelopment. He recommended that the development of entrepreneurship will enhance the employment situation in Nigeria towards improving the wellbeing of the citizenry.

Nokoye, (2012) studied on business mentoring and domestic entrepreneurship in Nigeria's manufacturing sub-sector with much focus on inward foreign direct investment. His research examined the theoretical basis for business mentoring. He employed Ordinary Least Square (OLS) techniques. The study recommended that policies on investment sub-sector need to continue.

Onwumere and Egbo (2008) conducted study on debilitating factors to entrepreneurial development in Africa. They viewed that part of Africa's underdevelopment was inadvertently tied to the inability of African countries to take advantage of opportunities due entrepreneurial skills and entrepreneurship environment. Onuoha, (2008) reviewed the silent factors responsible for SMEs and entrepreneurial failure in Nigeria which include lack of capital, poor knowledge of the market and lack of business connection.

Unyimadu and Chiekezie (2012) conducted a theoretical and empirical study on manufacturing and entrepreneurship. They viewed manufacturing industry as the most important sector of the economy as about

80% of industries fall into the category. The study used the system's cybernetic model as a transformer of manufacturing process and output for the improvement in Entrepreneurship in South eastern Nigeria.

Akpan, (2011) focused on nation's economic development through adequate industrialization. The study empirically examined the relationship between industrialization and economic development with focus on Nigeria. The Ordinary Least Square (OLS) technique was adopted in line with diagnostic test for the model. The study advocated that a responsible government should embrace industrialization for meaningful economic growth.

Elom, (2014) examined Globalization and Competitiveness in selected manufacturing companies. In his opinion, globalization of markets has increased the level of competitiveness, which is putting increasingly greater pressure on organizations to increase their competitive advantage. He summarized that a country can only provide the enabling environment and the infrastructure that enables the firm to acquire and maintain competitive edge.

Most of the studies played down on comparative performance of Nigerian manufacturing industries and lack of entrepreneurial skills and competitiveness. In view of this, the study intends filled the gap by periscoping the influence of entrepreneurial skills and competitiveness on the growth of some selected Nigerian painting firms.

### Methods

Survey research design was adopted for this study. Both primary and secondary sources of data collection were employed.

The targeted population of this study comprised of the entire staff of three Nigerian painting firms: (1) Korama Clover industries Limited, a producer of Sinclair Synthetic Auto-finish (2) Berger Paint Nigeria Limited. (3) Sharon Paints and Chemical Company Nigeria Limited.

**Table 1.1 Population of the firms studied**

S/N	Name of Industry	Staff Cadre			No. of Staff
		Junior	Middle	Senior	
1.	Korama Clover Industries Limited	40	20	10	70
2.	Berger Paint Nigeria Limited	295	82	40	417
3.	Sharon Paint and Chemical Company Nigeria Limited	22	8	3	33
	Total	357	110	53	520

**Source:** Survey Research (2015).

In determining the overall sample size, Yamane (1967:886) formula was employed:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = Sample size

N = population size

e = proportion of the sampling error (we assume 0.05)

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{520}{1 + 520(0.05)^2}$$

$$n = \frac{520}{2.3}$$

$$n = 226.08$$

$$n = 226$$

In determining the sample size of each industry, the Kumar (1976) proportional allocation formula is adopted.

$$N_h = \frac{nN_h}{N}$$

**Where:**

n = Sample size

N<sub>h</sub> = Number of respondents in each organization

N = Total number of Employees

(1) Korama Clover Industries Limited

$$N_h = \frac{226 \times 70}{520}$$

$$= \frac{15,820}{520}$$

$$= \mathbf{30}$$

(2) Berger Paint Nigeria Limited.

$$Nh = \frac{226 \times 417}{520}$$

$$= \frac{94,242}{520}$$

$$= \mathbf{181}$$

(3) Sharon Paints and Chemical Company Nigeria Limited.

$$Nh = \frac{226 \times 33}{520}$$

$$= \frac{7,420}{520}$$

$$= \mathbf{14}$$

**Table 1.2: Distribution of sample in each industry.**

S/N	Name of Industry	Number	Sample Size
1.	Korama Clover Industries Limited	70	30
2.	Berger Paint Nigeria Limited	417	181
3.	Sharon Paint and Chemical Company Nigeria Limited	33	14
	Total	520	225

**Source:** Survey Research, (2015).

#### Analysis of Data Technique

The Pearson product moment coefficient of correlation (r) statistical technique was used for testing the research hypothesis.

Formula for the Pearson product moment coefficient of correlation (r):

$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{n\sum X^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

**Where:** r = Correlation Coefficient

N = The sample size

Ex = The sum of X (independent variable).

Ey = The sum of Y (dependent variable).

Ex<sup>2</sup> = The sum of the cross product of X<sup>2</sup> value.

Exy = The sum of the cross product of X and Y.

The Pearson product moment coefficient of correlation (r) was used because the test involves measuring and deciding whether there is a relationship that exists between the dependent and the independent variables. They also provide a means of comparing of set of observed frequencies with a set of expected frequency.

#### Data Presentation

**Table 1.3 Response Rate to Questionnaire Distributed**

Group of Respondents	No. of Questionnaire Distributed	No. Returned	Returned Percentage (%)
Korama Clover Industries Limited	30	28	17
Berger paint Nigeria Limited	181	126	76
Sharon Paint and Chemical Company Nigeria Limited	14	12	7
Total	225	166	100

**Source:** Survey Research, (2015).

A total of two hundred and twenty-five (225) questionnaires were distributed. Out of these, only one hundred and sixty-four (166) were duly answered and returned. Hence, 166 is now the new sample size.

#### Test of Hypothesis

H<sub>0</sub>: There is no significant nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry.

H<sub>1</sub>: There is significant nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry.

**Table 1.4 Observed data from questions in the questionnaire (Question 7, 8, 9 and 10).**

Responses	Normal Scale	Frequency Question 7	Frequency Question 8	Frequency Question 9	Frequency Question 10
SA	5	102	20	40	46
A	4	52	12	106	48
UD	3	6	131	7	64
D	2	1	3	6	3
SD	1	5	0	7	5
Total		166	166	166	166

Source: Survey Research, 2015.

**Analysis of Table**

To apply for the Pearson's r, the response is further grouped into (x) Strongly Agreed and Agreed, and (Y) Disagreed and Strongly Disagreed sides. The mid-point (undecided) is neither here nor there. That is, it assumes zero (0) coefficient.

**Table 1.5 Computation of the Relationship Between Entrepreneurial Skills and Competitiveness.**

No.	X	Y	XY	X <sup>2</sup>	Y <sup>2</sup>
1.	102	1	102	10,404	1
2.	52	5	260	2,704	25
3.	20	3	60	400	9
4.	12	0	0	144	0
5.	40	6	240	1600	36
6.	106	7	742	11,236	49
7.	46	3	138	2,116	9
8.	48	5	240	2,304	25
E	<b>426</b>	<b>30</b>	<b>1,782</b>	<b>30,908</b>	<b>154</b>

Source: Survey Research, 2015.

$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{n\sum X^2 - (\sum x)^2} \cdot \sqrt{n\sum y^2 - (\sum y)^2}}$$

$$r = \frac{8 \times 1,782 - 426 \times 30}{\sqrt{247,264 - 181,476} \times \sqrt{1,232 - 900}}$$

$$r = \frac{14,256 - 12,780}{\sqrt{247,264 - 181,476} \times \sqrt{1,232 - 900}}$$

$$r = \frac{1,476}{\sqrt{65,788} \times \sqrt{3,32}}$$

$$r = \frac{1,476}{256.5 \times 18.2}$$

$$r = \frac{1,476}{4,668}$$

$$r = 0.316$$

Test of Significance

$$t = \frac{\sqrt{n-2}}{1-r^2}$$

$$\sqrt{\frac{8-2}{1-0.316^2}}$$

$$\sqrt{\frac{6}{1-0.09986}}$$

$$\sqrt{\frac{6}{0.90014}}$$

$$\sqrt{\frac{6.666}{2.58}}$$

$$t = 0.316 \times 2.58 = 0.815$$

Df = n – 2, 8 – 2 = 6 at 0.05 level of significance, the table value is 0.707.

**Decision Rule:**  $H_0$  is rejected while  $H_1$  is accepted since the calculated value is greater than the tabulated value (0.82 > 0.707)

### Discussion of Findings and Management implications

The findings revealed positive relationship between entrepreneurial skills and competitiveness, which implies that there is a nexus between the dependent and the independent variable. The relationship between entrepreneurial skills and competitiveness in the Nigerian Painting Industry suggests Management task of building entrepreneurial capacities of certain employees in the painting industry. Specifically, the findings revealed as follows:

1. The level of customers' patronage has a very high significance in the organization.
2. The quality of paints produced in Nigeria explains customers' high patronage.
3. Product availability enhances customers' satisfaction.
4. The coverage of made in Nigeria paint from its foreign substitute affects the demand.

These findings confirm the result of Elom's study(2014) which revealed that competitiveness is the ability of a firm or nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them.

### Conclusion

It is concluded that entrepreneurial skills and competitiveness have contributed to the growth of the Nigerian painting industry. Nigerian paints are recognized and have equal rate of demand with their foreign counterparts in the global market.

### Recommendations

The following recommendations were made;

1. Advertisement media should serve as a means of making the product known to the customers.
2. The quality of the products should retain standard so as to retain its customer's relationship and to attract patronage to Made in Nigerian products.
3. Availability of the product in the market should be strictly adhered to as such will lead to customers' satisfaction.
4. More market research should be undertaken so as to keep abreast of consumer's preference locally and internationally.

### References

- Adjebeng-Asem, S. (1995). *Translating Technical Innovation into Entrepreneurship in Nigeria: Social and Policy Implementation*. Doc. 22 of 29, in *Technology Policy and Practice in Nigeria*, ed., Ogbu, O. M. Oyeyinka, B. O. and Minwa, H. M. IDRC, Ottawa, Canada.
- Akpan, P. L. (2011). *Periscoping Industrialization and Economic Development of Emerging Economies: An Empirical Evidence from Nigeria*. Awka: Global Journal of Management and Social Sciences. Department of Business Administration, Nnamdi Azikiwe University, Awka, Nigeria. P.39 – 40.
- Alumonah, J.A. (2010). Powering the Economy through Entrepreneurship: *Nigerian Academy of Management Journal*, 4(2): 82 – 97.
- Eboh, F.E. and Igwe, N.N. (2008). *An Assessment of the Readiness to Manufacturing organizations to embark upon organization development interventions: An Empirical Study*. Port Harcourt: African Journal of Entrepreneurship: African Entrepreneurship and leadership Initiative Publisher. 1(3): December, Pp 86 – 103.
- Elom, E.M. (2014). *Globalization and Competitiveness: Evidence from Manufacturing Companies*. Unpublished Ph.D Seminar, Awka: Nnamdi Azikiwe University.
- Kumar, S.R. (1976). *A Manual of Sampling Technique*, London: Heinemann.
- McClelland, D. (1961). *Achieving Society*, Princeton, D. Van Nostrand, Jersey, p.21 – 60.
- Momoh, S. (2012). *Manufacturing Association of Nigeria's Drive to Change the Face of Manufacturing Sector*, Business Day Monday 17<sup>th</sup> September, P.45.
- Nwekpa, K. C. and Elom, E. M. (2012). *Gaining Cost Competitive Advantage in the Manufacturing Industry through the*



*Application of Aggregate Planning Strategies: An Illustration.* Awka: Journal of the Management Sciences, Faculty of Management Sciences, Nnamdi Azikiwe University Publishers, 12(1):45 – 59.

Nwokoye, E.S. (2012). *Business Mentoring and Domestic Entrepreneurship in Nigeria's Manufacturing Sub-Sector: The Place of Inward Foreign Direct Investment.* Department of Business Administration 2012 Conference Proceedings; Awka, Nnamdi Azikiwe University.

Obikeze, D. S. (1986). *Introductory Statistics for the Social Sciences.* Enugu: Fourth Dimension Publishing Company Limited.

Oghene, C. K. (2010). *Entrepreneurial Marketing as a Key Factor in the Realization of Nigeria's Vision 2020.* Nigerian Academy of Management Journal; 4(2):67 – 81.

Oma-Williams, (2000). "Entrepreneurial Development and Growth of Informal Sector"; Management Challenges in the 21<sup>st</sup> Century, *Centre for Management Development*, Nigeria. 47 – 49.

Omotoso, F. (2008). *Effective Human Resources Management for Small and Medium Enterprises Development towards Poverty Reduction in Nigeria.* Ado-Ekiti: University of Ado-Ekiti Press.

Onuoha, B. C. (2008). *Fundamentals of Business and Management in Nigeria.* Owerri: Avan Global Publications.

Onwumere, J.U.J. and Egbo, O.P. (2008). *Debilitating Factors to Entrepreneurial Development in Africa.* Port Harcourt: African Journal of Entrepreneurship: African Entrepreneurship and leadership Initiative publisher. 1(3): December, Pp 28-36.

Orugun, J.J. (2013). *Enhancing Employment Generation through Entrepreneurship Development in Kogi State:* Unpublished Ph.D Thesis, Department of Business Administration, Kogi State University, Anyigba.

Schumpeter, A.J. (1950). *Capitalism Socialism and Democracy*, 3<sup>rd</sup> Ed., New York: Harper and Row.

Unyimadu, S.O. and Chiekezie, M.O. (2012). *Manufacturing and Entrepreneurship: a Theoretical and Empirical Study.* Department of Business Administration 2012 Conference Proceedings; Awka, Nnamdi Azikiwe University.

Yamane, T. (1967). *Statistics: An introductory Analysis*, London; Harper and Row.

### APPENDIX

#### QUESTIONNAIRE:

**Instruction:** Please, tick (√) in the box provided where appropriate.

1. Status of respondents:  
 Senior Staff [ ] Middle Staff [ ] Junior Staff [ ]
2. Sex of the respondents:  
 Male [ ] Female [ ]
3. Marital Status  
 Single [ ] Married [ ] Divorced [ ]
4. Academic Qualification  
 Ph.D [ ] M.Ph./M.Sc./MBA [ ] B.Sc/HND [ ]  
 N.C.E/OND/A Level [ ] WASSCE/GCE [ ] FSLC [ ]
5. Age  
 Below 20 years [ ] 21 - 30 years [ ] 31 – 40 years [ ] 41 – 50 years [ ]  
 51 – 60 years and above [ ]
6. Tenure in office in years  
 Below 5 years [ ] 5 – 11 years [ ] 12 – 20 years [ ] 21 – 30 years [ ]  
 Above 30 years [ ]

Statement	Responses				
	Strongly Agreed = 5	Agreed = 4	Undecided = 3	Disagreed = 2	Strongly Disagreed = 1
Specific Objective: The study Determines the nature of relationship between entrepreneurial skills and competitiveness in the Nigerian painting industry.					
7. The level of Customers patronage leads to organizational satisfaction					
8. The quality of paints produced in Nigeria has effects with whether it leads to customer's high patronage.					
9. Availability of products in the market leads to customers' satisfaction.					
10. The coverage of your product (paints) from its foreign close substitute affect the demand.					

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:

<http://www.iiste.org>

### CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

### MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Academic conference: <http://www.iiste.org/conference/upcoming-conferences-call-for-paper/>

### IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

