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19 March 2018

Online at <https://mpa.ub.uni-muenchen.de/86751/>

MPRA Paper No. 86751, posted 18 May 2018 18:29 UTC

**Entrepreneurial skills and growth of Small and Medium Enterprise  
(SMEs): A comparative analysis of Nigerian entrepreneurs and  
Minority entrepreneurs in the UK**

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### **Abstract**

The significance of Small and Medium Enterprises (SMEs) to an economy development of a country cannot be ignored. Therefore, the growth of a business depends on the development of abilities needed to execute a smooth running of day to day business activities. Research established the fact that the flat economy growth of region relies on the extent of trade activities in the area. Given this importance of enterprise, this present study aims at developing an understanding of the influence of entrepreneurial skills on SMEs in Nigeria compare with the UK, as perceived by SME owners.

The research will benefit the researcher, SME owners in Nigeria, Policymakers, and other researchers. Data collection was through an online survey questionnaire, and it was administered to a population of 38 SME owners both in Nigeria and in the UK. The research followed judgmental sampling techniques to explore their experience, beliefs, and attitudes to entrepreneurial skills because of the limited time frame. Moreover, this survey was used to validate the study conceptual framework and establish an insight on the opinion of business owners of the context.

The study findings were that entrepreneurial skills have a significant influence on the growth of SMEs in Nigeria and the UK. However, the respondent in Nigeria and the UK agreed that creative thinking, Problem solving and communication skills are critical for increase sales and competitive advantage. Moreover, the respondent in Nigeria strongly agrees that high level of creative thinking with a bit of problem solving and communication skills will SMEs growth. By contrast, UK minority entrepreneurs argue that great creative thinking and a balance of problem solving and communication skills are critical to SMEs growth.

**Keywords:** Entrepreneurship, Small and medium enterprise (SME), entrepreneurial skills, creative thinking, leadership, problem-solving, teamwork, and communication.

## **Introduction**

The small and medium enterprises (SME) division has a significant role in the economic development of most countries of the world and notably vital for-profit generation to owners (Ebiringa, 2011). It is, therefore, a known fact that SMEs contribute meaningfully to achieving general economy development. This contribution can bring about a surge of GDP, improvement in the way of living, and reduce the rate of unemployment (Perks and Smith, 2006). As a result of these facts, any economy should maximize the benefit provided by such venture. However, Nigeria has not been able to identify the full importance of this sector despite the country position as the world leader in entrepreneurial spirit (Global Entrepreneurial Monitor, 2012) Entrepreneurship skills are vital to the growth and survival of Small and medium scale enterprise (Amatori, 2006). Therefore, skills are the knowledge demonstrated through actions or a unique performance in certain situations. Skills are attained and developed through training (Zehra, 2016). Nevertheless, reaching maintainable business growth is a task that requires special skills (Perks and Smith, 2006). With the above scenario, it is most likely for a business to succeed more if business owners could have sufficient entrepreneurial skills. These skills provide benefit for start-ups and it is as well useful throughout the lifecycle of a business.

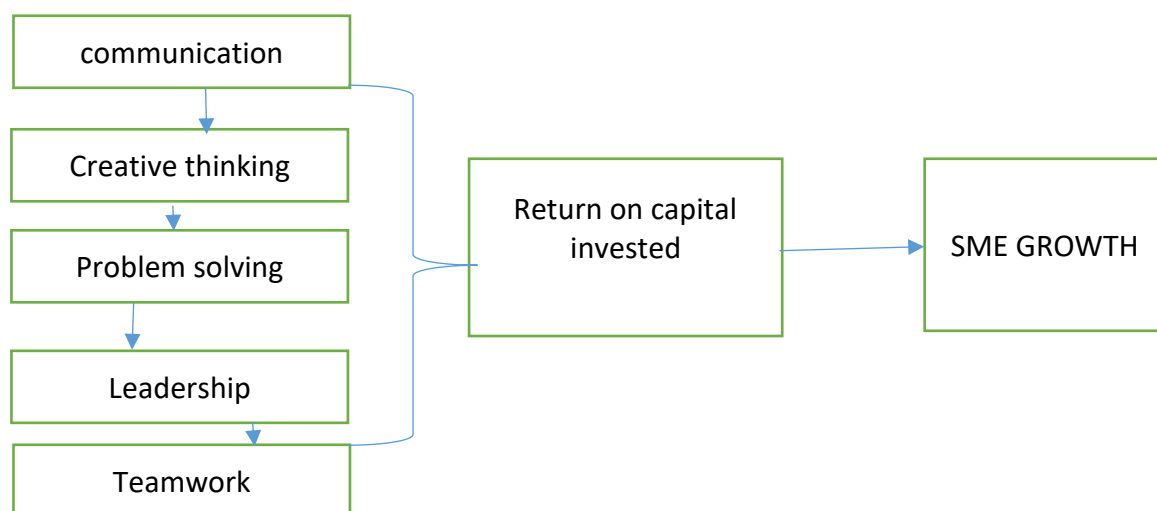
The purpose of this study is to develop an understanding of the essentiality of entrepreneurial skills and how these skills can impact SMEs growth. This study aims to examine the influence of entrepreneurial skills for achieving a successful business and identified the most valuable skills that can contribute to business growth.

## **Statement of the Problem**

Small and medium enterprise (SMEs) generate major growth, wealth and well-being in many countries and this increase came about by the establishment of an environment which provides urge for both start-up and growth-oriented businesspersons. Thus, reducing the obstacles forced to existing firms, and providing opportunities to learn from mistakes (Pyysiäinen; Anderson; Mcelwee; and Vesala, 2006). According to the studies of (Henry; Hill; and Leitch. 2003; Undiayaundeye, 2015) entrepreneurs are identified as the engine of economic progression and the creation of wealth, and they are important the quality of life by providing employment opportunities for both the educated and less educated. However, despite the rigorous contribution of this sector, the problems of unemployment are not total resolved globally.

According to Global Entrepreneurial Monitor (2012), Nigeria is a world leader in entrepreneurial spirit, and they believe they have necessary skills and knowledge. However, despite this report, the amount of failed SME has not reduced in recent years. The focus of research in entrepreneurship over the years is on building theory without the consideration or attention on what it takes for a venture to survive. The empirical studies of Bosire and Nzaramba (2013) in their findings, concluded that development of entrepreneurial skills could serve as a measure for improving the self-reliant of startups and established entrepreneurs. Similarly, (Coric, Katavic, and Kopecki,) claims that entrepreneur's success depends on the connection of crucial entrepreneurial skills for starting businesses, as well as the survival and development in their early years. However, such study is still missing in Nigeria context to the best of the researcher knowledge. Additionally, the research of Undiayandeye (2015) identified lack of entrepreneurial skills among graduates and thus, degenerate to failed entrepreneurial journey of business owners. As a result of the above discussions, this study, therefore, intends to examine the influence of these skills on SMEs growth. A case study of Lagos state and compare the perception of minority entrepreneurs in the United Kingdom will be considered, for the reason of exploring any the most efficient skills used in a developed economy so that it can be a learning curve for business owners in Nigeria. This study aims to examine the weight of entrepreneurial skills on SMEs growth in Nigeria and comparison with the UK minority entrepreneurs.

### Conceptual Framework



This study develops a conceptual framework before analyzing the effect of entrepreneurial skills on the growth of SMEs, the variables named above represent innovative or creative skills influence on SMEs growth. The entrepreneurs will have a successful business growth if they

are equipped with the highlighted entrepreneurial skills. This conceptual framework of this study underpinned by the past work of Bosire and Nzaranma (2013) which stated that the lack of entrepreneurial skills affects the growth and sustainability of SMEs

### **Rationale and Motivation**

The reason this study is carried out is to enhance the knowledge about the entrepreneurial perspectives of the minority entrepreneurs in the developed economy. The study will be beneficiary to policy makers, business communities, and other researchers that want more knowledge on entrepreneurship skills and SMEs development. Business communities will be informed on the essentiality of abilities for their general business management. Also, the entrepreneurs in Nigeria will have an understanding of skills perception of business owners in developed country. To policymakers, this study might be informative in building a strategy for improving citizen's entrepreneurship skills for SMEs efficiency.

### **Literature Review**

The contribution of entrepreneurship and SMEs to the long-term development of an economy is very glaring. For instance, the study according to Schmiemann (2008) reveals that SMEs account for 99.8% of all European Union enterprise, however, most of these businesses are Micro-enterprises, and they are made up of 91.8% of the total companies. The empirical study of Oyeyinka (2013) implies that SMEs records 85% of jobs in the United Kingdom while in Nigeria, 96% of business are SMEs. For an in-depth understanding of the importance of SMEs growth and entrepreneurial skills, this study will give a brief description of Minority entrepreneur, entrepreneurship, and SME.

Schumpeter (1998) in his theory of innovation describes an entrepreneur as someone with foresight and innovative. Entrepreneurship is the creation of new firm that uses novelty to enter existing or new market while building healthy completion against the existing business (Stefanovic, Rankovic & Prokic, 2011; Ebiringa, 2011). Likewise, Stevenson (1993) implies that entrepreneurship generates growth, wealth, and well-being by calculated risk. Entrepreneurs are individuals who through creativity or innovation introduce new ideas that changes directions and the wheel of enterprise (Van Praag & Cramer, 2001). Also, Shane (2003) infers that an entrepreneur is an innovator who utilizes the opportunity to gain the benefits of the environment. Minority businesspersons according to (Krueger, 2007) are business owners of a majority population. Inducing from the above authors; this study, therefore, describes an entrepreneur as an innovator with creative abilities, who utilizes opportunities regardless of the risk involve.

Small and Medium Enterprise definition defers from one country to another. However, this study will consider SMEs definition in Nigeria and the United Kingdom. Oyebanji (2013) SME in Nigeria is any enterprise with a working “asset not more than five hundred thousand to two million naira with 100 to 199 employees”. While, SME in the UK is an “enterprise with less than 250 employees” and with a turnover not less than “25million pounds”. The experiential data on the influence of entrepreneurship and SMEs on the growth of an economy differs across countries (Oyebanji, 2013). However, many positive impacts of this venture have been noted in both developed and developing countries.

The survey of McGraw and Rager (2001) on the motivational categories that leads to business success, the findings reveal that the North American’s entrepreneurs are motivated by “extrinsic rewards, independence, intrinsic and personal security.” Thus, these factors determine the level of motivation of entrepreneur with the result to their success and contribution to the economy growth. The empirical research of Chu and Kara (2009) in their investigation of Entrepreneurs and SMEs in Romania reviewed that, entrepreneurs start businesses to gain security against economy difficulties, while the reason for starting a business is as a result of the desire for self-sufficiency and to generate more income for family moves entrepreneurs in India. Roy and Wheeler (2006) review that Nigerians entrepreneurs are motivated by the urge to satisfy their psychological needs e.g. food and shelter. While entrepreneurs in the UK priority is to support their community (Terrelone, 2015). However, research has shown that the fundamental cause of challenges encountered by entrepreneurs in developing countries such as Nigeria is the lack of entrepreneurship skills; an evident is seen in the rate at which SMEs industries are created and the level at which they transience (Ajakaye, 1999). Interestingly, Faizan & Haque (2015) adapted polar diagram to address the challenges in the business. Similar approach can be used by the minority entrepreneurs in the UK.

### **Entrepreneurial Skills**

Schumpeter’s innovation theory characterizes an entrepreneur with these two abilities innovative or creative and foresight. This argument denotes that entrepreneurship takes place the production of a new product, find an existing or new market for a product. The Schumpeter theory of entrepreneurship focus more on profit of innovators and ignores the aspect of organizational skills or what it takes for entrepreneurs to carry out a successful task (Nichter & Goldmark, 2009). By contrast to the view of Schumpeter, the study of “Alfred Marshall” cited in Scudder (2001) argued that entrepreneurs are the driving factor that brings labor, land,

capital and organization together. Therefore, the characteristic of an entrepreneur should include; foresight, understanding of the market, and ability to identify opportunities. Similarly, the study of (Coric, Katavic, and Kopecki, 2011) review that successful Small and Medium Enterprise gather information relating to the business environment than those who are less successful. This unique skill gives the entrepreneur an overview of the business climate and helps to formulate a larger picture of the business activities. Another study by (Stevenson, 1993) argues that entrepreneur needs an innovative skill which comprises of the cognitive skills like creative; behavioral skills like problem-solving skills are the type of cognitive ability. The study further argues that the main reason entrepreneurs are successful is their abilities to imagine, innovates and work around challenges within their environment. Nevertheless, skills along are not largely effective as the local government should be involved directly in providing funds for capital investment in order to promote entrepreneurial ventures (Faizan & Haque, 2016).

As empirical studies of (Hamm, 2002; Whetten & Cameron, 2005; Scudder 2001) have reviewed that entrepreneurial skills influence the growth and operations of SMEs, the success of entrepreneurial rely on the identification of competencies for start-ups and established businesses, as well as their survival and early-year growth. The study of Whetten and Cameron (2005) categories these skills into three groups namely “personal, interpersonal and basic management skills”. Managerial level personnel are more adaptive and use social support constructively (Haque, Aston, & Kozlovski, 2018). Hence, adaptability is a skill that could be used by having higher social orientation. Different from the above authors, the research of Whetten and Cameron (2005) was able to group all skills identified by past authors into these three group. Model of vital management skills

Personal skills	Problem-solving, creative thinking.
Interpersonal skills	Motivating others, Managing Conflicts
Group skills	Leading others, teamwork
Additional management skills	communication

Source: Whetten and Cameron (2005).



This study therefore matches the identified skills to broaden the scope of the study; therefore, this study has chosen communication, problem-solving, leadership, creative thinking and teamwork as identified by (Stevenson, 1993; Whetten and Cameron, 2005; Scudder 2001)

### **Creative Thinking**

Globalization in today's business world has brought the international market which makes it easy for manufacturers to transport their products internationally. Therefore, there is an easy access to product everywhere for both consumers all sort of qualities and type. The debate over the definition of creativity and the link between creativity and entrepreneurship is limited. Creativity according to the study of (Ward, Finke & Smith 1995) is the development of right and new solutions. While Creativity was described as the capacity to produce new or unique work that fits with some assignment restraints (Lubart, 1994). Deducing from these definitions is quite obvious that creativity describes a novel and valuable ideas. According to Schumpeter's creativity and innovation goes hand in hand. Therefore, creativity conceals ideas and innovation implement the ideas. On the other hand, Haque, Faizan, & Cockrill (2017) argued that creativity is essential component in determining the competitiveness.

Investment theory of creativity proposed by Sternberg implies creativity to be a personal choice, so far there is an investment of time and effort into the creative method. The theory further describes the kind of creativity as "intellectual abilities, knowledge, ways of thinking, personality, motivation, and the environment" (Sternberg, 1995). The intellectual skills give the potential to differentiate a good idea from bad ones. However, a creative mind needs entrepreneurial skills to actualize the ideas to business. Through creative thinking, an entrepreneur does not just have ideas but assess the requirement of how to execute and establish the success of those ideas. Thus, an entrepreneur demonstrates the difference between creative intellect and old-style business method.

### **Problem solving**

Adaption-innovation theory (KAI) founded on the assumption that each person is creative and solve problems (Buttner & Gryskiewicz, 1993). According to Kirton entrepreneurs should be an adaptor and innovator, that is strive to do things better (adaptor) and differently (innovation). Research has proved that this skill is important to any profession (Woods et.al,1997). Problems are viewed as "complex systems which each correspond to a large number of decisions that interact in a difficult way" (Simon, 1962, p. 486). Problem-solving is the ability to use facts, knowledge, and data efficiently in resolving any complications (Kerzner, 2009). Similarly,

(Gardiner, 2005) defined problem-solving as the process of seeking best answer to an unknown subject. Entrepreneurs face several problems while managing their small or medium scale businesses. However, the ability to develop solution within a short is an extraordinary skill. Therefore, creative and problem-solving skills are considered by the study of (Buttner, & Gryskiewicz, 1993) as the most important key to the growth of entrepreneurial. Also, entrepreneurs were described as a problem solver who seeks to resolve either economy or personal difficulties with the right styles.

### **Teamwork skills**

Entrepreneurs are often encouraged to work with a team of other people so as to increase the possibility of idea commercialization (Marks and Richards, 2012). The empirical study of (Gardiner, 2005) argues that entrepreneur with high-quality projects need a partner for a financial assistant or idea development. On the other hand, team work is effective to overcome challenges (Zehra & Faizan, 2017). The theory of “entrepreneurship with specialization and business transfer” developed by Holmes and Schmitz (1990) denotes that individual has different abilities in developing ideas and opportunities. However, the theory finding was that person with an advantage in entrepreneurship might find it best to specialize in the creation of business and the administrative to someone qualified in management. Therefore, successful entrepreneur leverage teamwork to enable the growth and success of its venture.

### **Communication skills**

Communication is the act of transferring ideas to ensure a clear meaning (Barret, 2006). Similarly, Hergie (2007) argue that communication is a social skill that is essential for business growth. The effect of communication in business growth hangs on some practices that should be in place. According to the model of communication, there should be regularity and an excellent information network to ensure communication success (PMI, 2008). The research of Dollinger (2003) implies that communication is the bedrock of entrepreneurship business. Thus, this depends on particular skills such as listening, speaking and writing. This unique skill will help entrepreneur pass information to their customers through the use of words, adverts, body language, reports and so on.

### **Leadership skills**

Research has identified leadership ability as one of the most important skills an entrepreneur should possess for business growth (Hamm, 2002). The research according to Yang (2008)

describes leadership as the ability to sustain innovation and adapt to an uncertain environment. Quality Work Life is more effective for employees when working under specific leadership style (Faizan & Zehra, 2016). The study also stated that entrepreneurs should be “team-oriented, transformational, and value-based.” The growth of an organization is not recorded without the assistance of individual and collective efforts; thus, business growth needs “human agency” (Bass & Bass, 2008). Leaders of SMEs need the ability to grow their businesses, stirring their team by ensuring adequate communication, appreciating the views of others and encouraging contributions.

### **Entrepreneurial skills and SMEs growth**

SMEs in Nigeria are not only substance of change and growth in the economy at large, but they are also the bedrock of the nation (Ihua, 2009). Innovation is an essential characteristic of SMEs (Levy and Powell 2005). Thus, globalization has brought about changes in customer’s demand so pressuring SMEs to greater demands (Morrison, 2006). According to Morrison (2006), the ability of suppliers to listen to customers and understand their expectation of product is very crucial to business growth. According to Vanguard Media (2015) highlights the lack of skilled labor among youth population is an obstacle to small businesses development and inability to business owners to communicate with their customers. Hence, it is difficult for them to employ highly skilled expertise as a result of expensive labor turnover.

Lind (2005), argues that entrepreneurship growth entails the development of business skills such as communication and ability to solve problems. Correspondingly, Osalor (2016), who argue that an SMEs growth will require entrepreneurial, creative skills, ability to work with others and a good method of communicating product to customers which can be developed through training. Reports on entrepreneurial in the “Asia productivity organization” context review that working with others and ability to lead others associate with SMEs growth and guarantee competitive opportunities (APO, 2007). The empirical research of Coric, Katavic, and Kopecki, (2011) concluded that entrepreneurs need more sophisticated skills such as managing conflict, leadership, creativity and communication before their meaningful growth. Furthermore, the study of Bosire and Nzaramba identified creativity and communication as skills needed by entrepreneurs for business expansion

### **Methodology**

The methodology is the theory of how an investigation should be undertaken which should include the “theoretical and philosophical” belief upon which research is based (Saunders, Lewis, and Thornhill, 2009). Du Plessis, (2004) argue that methodology is a set of techniques or method that is used in a particular research or a kind of work. This section will focus on the research approach, area of study, population of study, data collection instrument, data analysis and the ethical concern in the study to assess how entrepreneurship skills can influence the growth of SMEs in Nigeria. According to Singh (2007), the most common approach in research is inductive and deductive. Inductive method induces data to generate theory while deductive develops a hypothesis to arrive at a conclusion (Sekaran & Bougie, 2012).

For the purpose of this research, the inductive approach of data collection will be used to gather information from entrepreneurs in Lagos state Nigeria and minority entrepreneurs in the United Kingdom. Therefore, the researcher opted for an inductive approach for it is suitable for the research design and also it can generate meaning from data collected to build theories (Singh, 2007). The qualitative method presents data more in words than in numbers, and these words can be categories (Cresswell, 2002). Similarly, Saunders; Lewis; and Thornhill (2000) imply that qualitative techniques capture more sensitive information such as “needs, worth, observation and motivation” not considered in the quantitative analysis. Therefore, the nature of this research will be qualitative, and it will be based on “interpretivism” point of view so as to investigate facts on how entrepreneurial skills can lead to successful SMEs or growth.

Moreover, research design can be “exploratory or conclusive” (McNabb, 2015). Likewise, Singh (2007) implies that exploratory design gives a better understanding of research problem, and it serves as a groundwork for future studies while conclusive research aims to provide final answers to the research question. Therefore, this study is exploratory in nature since it aims to provide a clear understanding of how the entrepreneurial skills can enhance SMEs growth in Nigeria and the UK as few previous studies exist in this context. Additionally, the variable is explored by the researcher via a means of a different instrument (McNabb, 2015). In addition to this view, (Sekaran & Bougie, 2012) argue that the right selection of the appropriate tool is needed to explore variables in the planned way. In the present study, an open-ended online questionnaire is used as the main instrument which contains an open and semi-structured question. The questionnaire is designed via Google Form following Haque & Aston (2016), Haque et al., (2016) and Haque & Yamoah (2014) approach by sending through electronic mails since there is a barrier of distance between the researcher and respondent in Nigeria. Pilot

testing is an effective method that helps researcher in assessing reliability and identification of problems of the choosing methods (Sekaran & Bougie, 2012)

Before the research instrument, the research sent out the questionnaire to the course tutor for his opinion and six Doctoral students for their opinions. Furthermore, the respondent selected for the purpose of this study are entrepreneurs with diverse business in Ikeja Local Government of Lagos state Nigeria and minority entrepreneurs in the Buckinghamshire county of United Kingdom. The sample is made up of a total of 9 respondents from Nigeria and nine minorities entrepreneurial respondent in the UK, therefore making a total number of 18 respondents.

Additionally, Saunder et al. (2007) imply that ethic is the appropriateness of an investigator conduct concerning the right of those who become the subject of your work and are affected by the work. Thus, this research explores the following ethical consideration so as to minimize risk. Participant is free to withdrawal at any point, consent is asked before the forwarding question, and confidentiality is maintained by not asking for participant personal information. The data from the questionnaire will be analyzed using “content analysis method”, the study of Mayring (2000) describe content analysis method as a process whereby researcher uses objectives and orderly coding into a quantitative account. Hence, to use this method, the researcher will use themes based on the study objectives and frequency distribution on Excel to classify the number variables identified by respondent and arrive at a quantifiable value.

## **Result and Analysis**

According to the report of Central Bank of Nigeria (2015, p. 3) SMEs have the potential to create employment, “upgrade social technologies, development of local businesses and forward integration with large firms,” therefore SMEs are critical to the growth of any economy. In Nigeria, 96% of the businesses are SME while 65% business in the UK is SMEs (Oyeyinka, 2013).

The empirical result of this study is underpinning upon qualitative analysis data collection through an open-ended questionnaire received from 18 Small and Medium business owners in Nigeria and the United Kingdom, out of the total number of 38 questionnaires sent via email and WhatsApp’s. The survey provides the business characteristic of participants; based on “thematic analysis” with the motive of gaining the idea of dense account as described by Geertz (1997). According to (Sefiani, 2013) which implies that the outcome of qualitative stage is defined based on the external setting. Therefore, the finding will draw insight and explain

results from the data. Below is the table for respondent business type, motivational factors, and location.

<b>N o</b>	<b>Business type</b>	<b>Location</b>	<b>Motivational factors</b>
1	Auto spare parts	Nigeria	To create employment
2	Consumables and logistics.	Nigeria	To have multiple streams of income.
3	Logistics	Nigeria	To be an employer of labor.
4	Educational Services	Nigeria	Making Independent decisions
5	Children's clothing	Nigeria	To be self-dependent
6	Printing	Nigeria	To be my own boss
7	Cosmetics	Nigeria	Personal interest
8	Professional accounting service	Nigeria	The desire to solve people's need.
9	Consultancy	Nigeria	independent and ensure work life balance
10	African Fabric producer	UK	Long-term financial security
11	Vehicle	UK	Financial gain and inspiration
12	Cloth	UK	Survival
13	Foodstuff	UK	Passion to effect change
14	Beauty products	UK	Being my own boss
15	HR and Business Consultancy	UK	Necessities
16	Ladies Hair extension	UK	own boss and curiosity
17	Security Agency	UK	be my own boss
18	Health care Agency	UK	Desire for self-employment

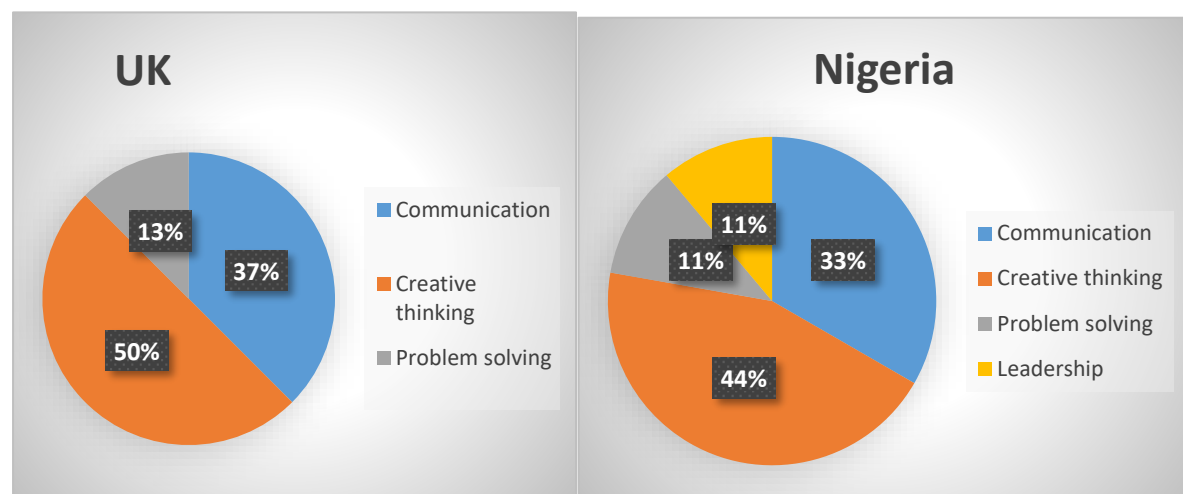
Given the importance of SMEs and the contribution towards the reduction of unemployment as identified in the reviewed literates. it is surprising to realize that many of the respondent stress their motivational factor as employment creation, for work life balance, desires to be their own bosses according to the data received motivates most respondent into business. Business people are driven by force to either bring about internal or external changes. Surprisingly, the respondents from Nigeria and the Minority in the UK are motivated by different factors. Below is the representation of views of the respondent from Nigeria.

The above analysis shows that entrepreneurs in Nigeria have interest for creating employment as 33% wants to make a personal decision about their time, life and 34% of them strongly noted that “they were inspired to start a business so that they could create employment or became employers of labor.” Entrepreneurial inspiration goes beyond the view of Roy and Wheeler (2006) that entrepreneurs in Nigeria are motivated to satisfy their psychological needs, i.e., food and shelter rather they contribute to the improvement their personal and economy living standard (Perks and Smith, 2006). Nevertheless, it is interesting to note that Minority entrepreneurs in the UK are inspired different from factors like “ability to be own boss, create employment” one businessperson clearly identify

*“curiosity as an inspiration to start a venture.”*

The above statement indicates that location is a drive for entrepreneurial business ideas. Thus, the findings support the survey of McGraw and Rager (2001) that motivational categories differ and these factors determine the level of business success.

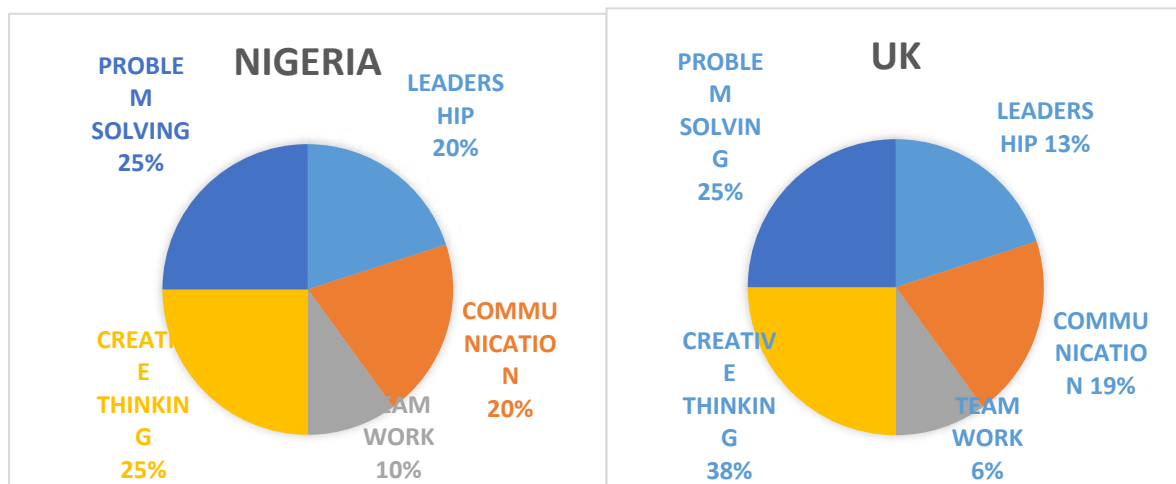
### Skill needed for developing business idea



Both respondents in the two analyzed countries agreed to the usefulness of skills in the development of their business ideas. However, it is worth noting that 44% of the respondent in Nigeria identify creative thinking and 37% said communication are the most useful skill for developing business ideas. While 50% of the minority entrepreneurs in the UK also identified creative thinking skill and 37% communication skills. Therefore, the above evidence shows skills have an important part to play in the growth of Small and medium business. According to the work of Nichter, & Goldmark (2009) skills provide benefit for start-ups, and it is useful

through the lifespan of business. It is exciting to see the disparity in the respondent choice in Nigeria, and the UK, respondent from Nigeria recognized four skills and ignore teamwork skills as a useful skill for developing business ideas. While UK respondents find problem-solving and leadership skills as not compulsory for developing business ideas. However, the variation in choice of these respondent could attribute to ownership structure. The report shows that SMEs in Nigeria are either “proprietorship or partnership” and the attentiveness of management is by the owner. While in the UK, the report shows that SMEs believes that the key to business performance is employing more people to work together as a team (SME Survey, 2014).

### Top skills for successful entrepreneurial



The empirical study of Lind (2005) noted that successful entrepreneurs need communication and problem-solving skills. Similarly, (Stevenson, 1993) concur that businessperson needs cognitive skills like creative thinking abilities, and behavioral skill such as problem-solving skill are the essential for successful business. The respondent from both countries agreed to all the skills in the questionnaire as necessary for building a successful business. However, 25% of the Nigeria respondent emphasizes “problem solving and creative thinking” while 20% agreed to “good communication” and this conforms with the studies of (Haque et al., 2017; Lind 2005; Stevenson 1993). Similarly, 38% of minority business owners in the UK said creative thinking and 25% problem solving. Therefore, it is interesting to note a similar perception despite the difference in the economy.

### CONTRIBUTION OF SKILLS TO SME GROWTH

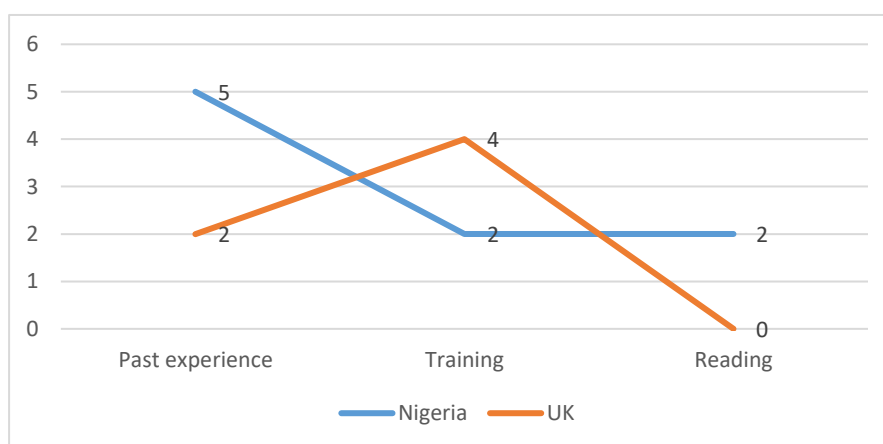




ESSG= entrepreneurial skills and SMEs growth

Respondent apparently agrees that entrepreneurial skills influence SMEs growth. The increase in sale is considered as an important factor that contribute to business growth by four respondents in Nigeria and four respondents in the UK; implies that “these skills increase my sales. While 3 in Nigeria and three respondent UK said “it improved my business competitive abilities” 3 in Nigeria and 2 in the UK said improved employment creation. Sales and number of competitors are some of the variable identified by Horngren (2006) are some of the factors that represent business growth. Also, this corresponds to Delmar et, al. (2003) that sales or turnover are key to measuring business growth as it emphasizes the earning of the firm owners.

### Skill acquisition



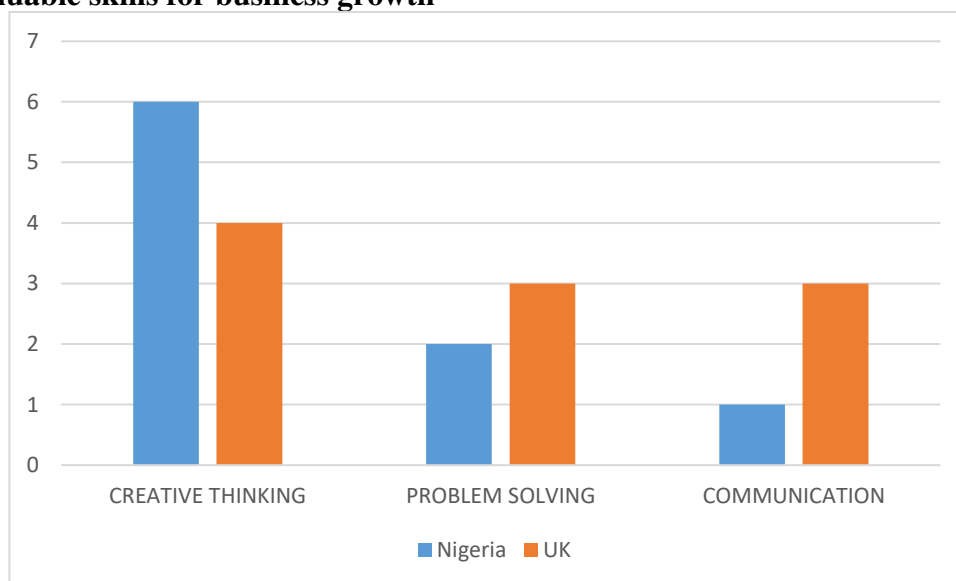
This theme is important for further study; the aim is to understand how entrepreneurs acquire the skills they possess. The online form revealed that entrepreneurial skills acquisition is through different means, five respondents from Nigeria gained their skills from previous job

while four minority respondents in the UK skills came from Training. Meanwhile, few minority entrepreneurs respond as follows:

*“Some skills can't be acquired as they are inbuilt, however reading good books boosted my knowledge about entrepreneurship.”*

*“That's natural It is my personality trait to communicate fluently and convince others”.*

### Most valuable skills for business growth



This theme is crucial to the completion of this study and SMEs growth through entrepreneurial skills. The respondent feedback reviewed three vital skills for SME growth while others skills are considered not too necessary. 67% respondent from Nigeria identified creative thinking, 22% problem solving and 11% communication skills. By contrast, 50% chose creative thinking, 37% problem-solving skills and communication skills respectively in the UK minority entrepreneurs. Thus, these three skills are identified by both minority respondents and business owners in Nigeria.

Conclusively, the opened questionnaire structure used in this study gives the participant the chance to express their opinions in a smooth way. Also, this method provides the opportunity to understand insight into the how entrepreneurial skills influence the growth of SMEs from two different angles. According to Gill & Johnson (1991) qualitative study gives the researcher an understanding from the respondent point of views on the issues around them, somewhat than researcher's perception of truth. From the analysis is was clear that entrepreneurial skills have an effect on SMEs growth regardless the economy developed or developing.

## **Discussion on the findings**

The study wishes to develop a clear understanding of the influence of entrepreneurial skills on SMEs growth in Nigeria and comparison with the UK minority entrepreneurs. In reaching these goals, the study employs the qualitative approach to identify the critical skills for the SMEs growth of business owners in Lagos state Nigeria and Minority business owners in the UK. The result of the analysis shows the drive to create employment motivates entrepreneurs to start a venture, 35% of business owner's feedback emphasis on their desire to become decision makers and contribute to the economy they live. This finding supports the study of (Henry; Hill; and Leitch. 2003; Undiayaundeye, 2015) that entrepreneurs bring wealth creation and provide employment to improve the quality of life of both the educated and less educated. However, the significant difference was found among UK minority entrepreneurs as the respondent have different factors like Curiosity, necessity, financial gain and survival. This perception correlate with the view of McGraw and Rager (2001) that motivation factors differs from place to place.

The finding of this study agreed with systematically reviewed literature; the pie chart shows that all the mentioned skills in the literature are useful to entrepreneurs. All respondent strongly agrees that all the mentioned are helpful starting from the creative thinking to the least. However, the study is not consistent with the studies of (Stevenson 1993; Scudder 2001 and Schumpeter 1998). These authors identified skills such as foresight, creativity, problem-solving, opportunity identification, leadership, and teamwork. However, none stress the place of communication as an important ability for entrepreneurs. Past research in entrepreneurship stress less relevance to the essentiality of communication, the study of Hergie (2007) argue that business growth requires communication skill. Similarly, Dollinger (2003) implies that communication should be the bedrock of business venture as information will be conveyed to customers through the communication channels as suggested by (PMI, 2008). It is interesting to see a close variation in the perception of the respondent from both countries. 20% from Nigeria and 19% UK Minority, however, considering the business environment complexity. In term of tax companies paid in the UK which is up to 8 charges with a total rate of 32% of profit. In Lagos Nigeria, registering business takes 32 days excluding the days for other procedures which are a long process compare with UK (World Bank Group, 2016). So, this study supports the Dollinger (2007) and agree that communication is as important as all other skills.

The frequency distribution on Excel shows that leadership and teamwork skills have little or no significant link with SMEs growth. Respondents from Nigeria believed firmly in creative thinking, problem solving and communication and same with the UK Respondent. The survey noted that good communication is indispensable to business growth because “it gives an idea of what customer want.” Also, some respondent agrees that creative thinking help “develop their business model and strategy.” This perception agreed to the investment theory of Sternberg (1995) which stated that creativity as an essential skill that brings about the need to begin a venture. This present research respondent identified communication as part of basic skills for business growth; the respondent noted that “good communication” is indispensable to to business growth. As entrepreneurs needs to communicate ideas to the client or the existence of their product in the case of a small business. The finding of this study agrees with the view of Morrison (2006) that ability of business owners to communicate and listen to customer’s demands is crucial to business growth. While (Buttner, & Gryskiewicz, 1993) concluded that creative thinking and ability to solve economy or personal problems using the right style are key to entrepreneurial growth.

Finding of the qualitative data recorded that respondent strongly agreed that entrepreneurial skills had promoted their business both internally and external, helped them to create employment and improve their competitive abilities. It is fascinating to note a similarity in the perception of business owners in Nigeria and Minorities in the UK; both respondents agreed that entrepreneurial skills increase their sales. They pointed out that ES have helped them identified opportunities within their economy and gain an understanding of customer’s specification. Also, respondent stated the influence of these skills on their business growth as a high competitive advantage and employment creation. Thus, the findings support the theory of (Horngren, 2006; Nichter & Goldmark, 2009; Delmar et al. 2003) that most owners of SMEs are concerned with financial performance as a variable to measure for growth, while creation of employment is significant to policy makers. Therefore, the study found out that ES did not only influence the growth of SMEs; but contribute to the development of the location which the SME are situated.

## **Conclusion**

This study has shown an understanding of the effect of ES skills has on SMEs growth from the perceptive of entrepreneurs in a different economy. Simpson, Truck & Bellamy (2004) claim that business success is an opinion which relates to how objectives that are crucial to success will be met and exceeded. This study shows that despite the different environmental complexity

of entrepreneurs, they all agreed to entrepreneurial skills influence on their business growth. Creativity thinking, communication and problem-solving skills were identified as identified as the most useful skills for SMEs growth in both country contexts. However, business owners in Nigeria emphasize creative thinking than problem-solving and communication skills. While Minority entrepreneurs mentioned more of creative thinking and a balance of communication and problem-solving abilities.

However, having considered the factors like time and cost of registering businesses in Nigeria with challenges of lack of infrastructural services for businesses one could attribute to why creative thinking is most useful in such a business environment. To have an in-depth understanding as to why communication and problem-solving skill are important to minority entrepreneurs in the UK despite the ease of doing business in the country. These issues are worth considering for future research, as the scope of study could not provide in-depth exploration. The finding of this study discovers that business location has no significant on business owner perception of entrepreneurial skills. Rather, real skill in communication can give their customer something to feel. Consequently, the application of skills will not only increase sale and competitive advantages but will create new jobs, grow new SMEs and fasten economic advancements. As a result of the above facts, there is a need for policymakers to consider developing SMEs not only through the provision of social amenities but develop a public agenda for the acknowledgment of skills development and also priorities skills improvement for both expert and inexpert business owners.

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