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# Adequacy of Funding For Skill Acquisition in Entrepreneurship Development Centers in Tertiary Institutions in Enugu State

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Received 24 May 2019;

Accepted 01 June 2019;

Published 17 June 2019

## Abstract

This study determined the adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State. One research question guided the study and two null hypotheses were tested at 0.05 level of significance. The design of the study was a descriptive survey. Population of the study was 137 management staff of Entrepreneurship Development Centres and entrepreneurship lecturers in tertiary institutions in Enugu State. No sample was taken because of the manageable size of the population. A validated structured questionnaire was used to collect data for the study and its reliability coefficient was determined using Cronbach Alpha which yielded the value of 0.85 for the cluster. Mean and standard deviation were used to analyze the data to answer the research question and determine the cohesiveness or otherwise of respondents' mean ratings. z-test and ANOVA were used to test the acquisition in entrepreneurship development centres in the universities, colleges of education and null hypotheses. The findings of the study revealed that there were inadequate funding for skill polytechnics owned by both Federal and State governments in Enugu State. Based on these findings it was recommended among others that the management of tertiary institutions in Enugu State should source for fund beyond government budgetary allocations through internal generated revenues and external grants to ensure adequate provision of resources in the Entrepreneurship Development Centres.

**Key Words:** Adequacy, Funding, Skill Acquisition, Entrepreneurship Development Centres and Tertiary Institutions.

## Introduction

No meaningful project could be successfully carried out in our educational system without adequate funding. Funds are necessary to maintain both human and material resources of every system in order to achieve desired goals. Education as a worthwhile venture requires adequate funding to bring about desirable changes among individuals and the nation in general. Presently in Nigeria and world over, much emphasis is placed on entrepreneurship education among youths to fortify them with necessary entrepreneurial skills, for effective performance in the business world to become self-reliant. To this effect, the Federal Government of Nigeria at different periods has instituted skill development programmes to empower her youths and to improve the standard of living of its citizenry. Such programmes instituted include Economic Empowerment Development Strategies (NEEDS) 1 & 2, and Entrepreneurship development programmes among others. Entrepreneurship education as an aspect of the general vocational education enables a person to develop the willingness and ability to explore and exploit opportunity, and for establishing and managing business enterprises successfully. The essence of

entrepreneurship education like other aspects of education is to turn out graduates who will become entrepreneurs tomorrow (Okoli, Ogwa & Okoli, 2018). This development resulted to the institution of Entrepreneurship Development Centres (EDC) in tertiary institutions at different states in the country to ensure provision of the necessary facilities for skill acquisition among these youths

Tertiary institutions are advanced educational systems after secondary education, made up of monotechnics, polytechnics, colleges of education and the universities. These institutions harbor more than 60% of Nigerian youths who are undergraduates and under training in different programmes to contribute to national development after graduation. Entrepreneurship education provided to these undergraduates enables them to acquire skills that make them successful owners of enterprises after graduation, to improve their income and that of the nation through further generation of jobs. This is expected to reduce the high unemployment level among youths and funding for these EDCs therefore becomes absolutely imperative.

Okoli, Onwuka & Okolocha (2015) noted fund as a financial resource provided for a particular purpose on a continuous basis. The sources of funds for Entrepreneurship Development Centres (EDC) are budgetary allocations from the tertiary institutions, internally generated revenue (IGR), external grants from industries and angel funds, special intervention funds, stabilization funds for operation expenses, venture capitalist and other investors in the programme (NUC, 2006). Adequate funding of EDCs in tertiary institutions promotes entrepreneurial training. It aids provision of facilities, equipment, and recruitment of qualified human resources for upkeeping of the centres. It equally provides for training and re-training of staff in order to cope with challenges and provides support for continuous research. Adequate and regular funding is the key to the success of every educational system.

Given the educational services rendered by the EDCs and the corresponding improvements required in students' entrepreneurial skills and competence, none of them can succeed if funds are not adequately provided to harness the required inputs for continuous increase in productivity (Nwaiwu, Dikeocha and Nwagu, 2015). Fund is an indispensable tool in providing human resources, infrastructural facilities and equipment needed at the EDCs in tertiary institutions. With adequate funding, running of the centres is made effective. This is needed for fiscal expenditure and future planning of activities in the centres over a period of time. Adequate funding of entrepreneurship development centres in our tertiary institutions will affect positively the Gross Domestic Product (GDP) of the economy with great improvement.

Adequate funding of entrepreneurship development centres will enhance wealth creation, employment generation and encourage value orientation for sustainable development (Olaniyan & Titilye, 2012). When the EDCs are adequately funded it paves way for provision of facilities and equipment for effective teaching and training in entrepreneurship which will help to reduce high rate of unemployment among the citizenry, thus reducing high poverty rate in the society. The sources of funds for EDCs in tertiary institutions include, budgetary allocation from tertiary institutions, internally generated revenue (IGR), external grants from industry, external grants from angel funds, special intervention funds, stabilization funds for operation expenses, venture capital and other investors in the programme (NUC, 2006). Thus, entrepreneurship education programme exposes one to various business opportunities with up-to-date delivery of entrepreneurial knowledge and skills required by students. It ensures that tertiary institutions graduates are provided with entrepreneurial skills for viable business and in

technological settings that are capable of bringing about sustainable economic and national development.

EDCs have skill development oriented programmes that require a lot of funds for capital project overheads. Ayo-Sobowale and Akinyemi (2011) argued that no good EDC can carry out its programmes effectively without adequate funding that helps it procure infrastructural facilities and human resources for policy implementation. Funding for human resource entails fund for regular review of entrepreneurship education lecturers salaries and provision of allowances in order to retain them at work, provision of continuous support for research, promotion of specialization of lecturers through provision of funds to enhance their specialization. Others are provision of running cost, support for training and re-training of staff in order to cope with challenges in technology and for the recruitment of qualified manpower resources for the up keeping of the centres (Ekong & Nwokocho, 2014). The infrastructural facilities are hall, classrooms, seminar rooms, lecturers/staff offices, furniture facilities, laboratory/workshop block, e-library block and toilet facilities (NUC, 2006). Akighbe (2014) asserted that entrepreneurship development centres are facilities-based. Therefore the necessary facilities must be provided if they are to realize the goals of improved quality in the centres. This will make our graduates relevant and competent entrepreneurs. These highlights justify the need for adequate funding of entrepreneurship development centres in our tertiary institutions.

Unfortunately, Okeke and Eze (2010) pointed out that adequate fund has not been channeled to entrepreneurship development centres which is a major problem plaguing the programme Adedeji (2009) noted that most times subventions granted to the tertiary institutions are not enough for effective operation of their programmes. This negatively affected the amount allotted to the running of the EDCs. This has been attributed to inadequate provision of fund to the educational sector by the government. Nwaiwu, Dikeocha and Nwagu (2015) observed educational budget appropriated in some African countries in comparison with the 26 percent stipulated by the United Nations Educational Scientific and Cultural Organization (UNESCO) as grossly inadequate. Such include Nigeria, 0.79 percent, South Africa 7.9 percent, Ghana 4.4 percent and Angola 4.2 percent. The full implementation of the 26 percent education budgeting will pave way for adequate funding of EDCs in our tertiary institutions, for the procurement of relevant equipment, machines, materials, facilities, staff development and maintenance of equipment. Worse than the problem of inadequate provision of fund, was the misallocation of funds available in investment. This has adversely affected the effective management and administration of entrepreneurship education programme irrespective of the

huge sum disbursed to Tertiary Education Trust Fund (TETFund) through education tax (Nwaiwu, Dikeocha & Nwagu, 2015). This inadequate funding consequently causes shortage of infrastructural facilities for the development of the centres and employment of adequate human resources for the effective running of the EDCs. The implication of these is the turnout of graduates without the necessary entrepreneurial skills. The amount spent on education goes a long way in determining the quality of education offered and quality of its product. No educational programme can be effectively managed and administered without adequate funding.

Inadequate funding leads to dearth of necessary facilities needed to boost the entrepreneurship education programme in the EDCs in most tertiary institutions. No worthwhile venture will be fruitful, no matter how well the programme is planned if there is no adequate funding. For EDCs in the tertiary institutions in Nigeria to achieve her laudable programme objectives, adequate funds must be provided. This study is set to empirically determine the situation in tertiary institutions in Enugu State to proffer remedies where found wanting.

**Theoretical Framework**

This study hinged on system resources organizational effectiveness theory. The system resources organizational effectiveness theory was propounded by Stanly and Ephraim in 1967. This theory demonstrates an organization’s ability to secure an advantageous bargaining position in its environment and to capitalize on the position to acquire scarce and valued resources. The systems resources organizational effectiveness theorists viewed organizational effectiveness as synonymous with the organizations ability to secure scarce and valuable resources for her activities. In relating the theory to this study, tertiary institutions that establish entrepreneurship development centres are formal organizations with defined goals which the centres are to achieve. The achievement of these goals depends on the ability of the entrepreneurship development centres to source for adequate funding to ensure entrepreneurial skills acquisition by students. If funding for skill acquisition in entrepreneurship development centres in tertiary institutions in Enugu State are not adequate the centres cannot function effectively to achieve the goals of equipping students with entrepreneurial skill for self-independence. This means that inefficiency and ineffectiveness will become the order at the centres which will result in inability of the centres to stimulate entrepreneurial mindset in the students and equip them with skills for entrepreneurial endeavours on graduation.

**Research Question**

How adequate are funding for skill acquisition in entrepreneurship development centres in tertiary institutions in Enugu State?

**Research Hypotheses**

**The following null hypotheses were tested at 0.05 level of significance.**

1. Respondents from federal and state owned tertiary institutions in Enugu State do not differ significantly in their mean ratings on the adequacy of funding for skill acquisition in their entrepreneurship development centres.
2. Respondents do not differ significantly in their mean ratings on the adequacy of funding for skill acquisition in entrepreneurship development centres in tertiary institutions in Enugu State based on institution type.

**Method**

The design adopted for the study was a descriptive survey research design. The population comprised 137 management staff of Entrepreneurship Development Centres and entrepreneurship lecturers in the tertiary institutions in Enugu State. The instrument used to elicit data from the respondents was a validated structured questionnaire titled “Questionnaire on Adequacy of Funding for Skill Acquisition in Entrepreneurship Development Centres” (OAFSAEDCs). The questionnaire is structured on a five point rating scale of Very Adequate (VA), Adequate (A), Fairly Adequate (FA), Inadequate (IA), and Very Inadequate (VIA). Internal consistency of the instrument was checked by administering copies of the questionnaire on 20 respondents from tertiary institutions in Abia State. Cronbach alpha was used to analyze the data collected and a reliability coefficient of 0.85 was obtained. Copies of the research instrument were administered to the respondents by the researchers with the help of six research assistants who were selected from the tertiary institutions in Enugu State and briefed on the procedure. Out of the 137 copies of the questionnaire distributed, 120 of them represented 88% were retrieved and used for analysis.

Mean was used to analyze data related to the research question and standard deviation to determine the homogeneity or otherwise of the respondents’ responses. Decision on the items was based on the real limit of numbers as follows:

Response Options	Rating	Boundary Limits
Very Adequate (VA)	5	4.50 – 5.00

Adequate (A)	4	3.50 – 4.49
Fairly Adequate (FA)	3	2.50 – 3.49
Inadequate (IA)	2	1.50 – 2.49
Very Inadequate (VIA)	1	1.00 – 1.49

z-test and analysis of variance (ANOVA) were used to test the null hypotheses at 0.05 level of significance. A hypothesis was not rejected where the calculated z or f-ratio is less than the critical z or f-ratio otherwise the hypothesis was rejected.

**Results**

Research Question: How adequate are infrastructural funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State? Data collected with the questionnaire on adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State were analyzed descriptively and result shown in the table 1 below

**Table 1: Respondents’ mean ratings and standard deviation on adequacy of funding for skill acquisition in Entrepreneurship Development Centers in tertiary institutions in Enugu State N=120**

S/N	Funding	Mean	SD	Remarks
1.	Budgetary allocation from the tertiary institution	2.19	0.40	Inadequate
2.	Allocation from the internally generated revenue	2.18	0.39	Inadequate
3.	Allocation from external grants from industry	2.14	0.35	Inadequate
4.	Allocation from external grants from angel funds	1.51	0.50	Inadequate
5.	Allocation from special intervention funds	2.28	0.45	Inadequate
6.	Allocation from stabilization funds for operation expenses	1.44	0.50	Inadequate
7.	Allocation from venture capitalists and other investors in the programme	2.16	0.37	Inadequate
	<b>Cluster Mean</b>	<b>1.99</b>		<b>Inadequate</b>

Data contained in Table 1 shows that all the seven items rated on adequacy of funding were inadequate. Therefore, with a cluster mean of 1.99, it was affirmed that funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State are inadequate. The standard deviations for all the items are within the same range showing that the respondents are not wide apart in their ratings.

**Hypothesis 2**

Respondents from federal and state owned tertiary institutions in Enugu State do not differ significantly in their mean ratings on the adequacy of funding for skill acquisition in their entrepreneurship development centers. Hypothesis on adequacy of funding for skill acquisition in Entrepreneurship Development Centers was tested at 0.05 level of significance based on institutions ownership and the result shown in table 2

**Table 2. Z-test analysis of respondents’ mean ratings on adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State based on institutions ownership.**

Institution	N	X	SD	$\alpha$	df	z-cal	z-crit	Remarks
Federal	61	2.00	0.41	0.05	118	0.82	2.00	Not Significant
State	59	2.01	0.39					

**Table 3 ANOVA analysis of respondents’ mean ratings on adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State based on institutions type**

		Sum of Squares	df	Mean Square	Fcal	Fcrit	Sig.	Remark
University on adequacy of Funding	Between Groups	0.53	2	0.27	1.24	3.25	0.30	NS
	Within Groups	7.87	55	0.21				
	Total	8.40	57					
College of Education on adequacy of Funding	Between Groups	0.31	2	0.16	0.59	3.25	0.56	
	Within Groups	9.69	45	0.26				
	Total	10.00	47					
Polytechnic on adequacy of Funding	Between Groups	1.46	2	0.73	2.23	3.25	0.12	
	Within Groups	12.14	14	0.33				
	Total	13.60	16					

Data in Table 3 shows that the calculated ANOVA values of 1.24, 0.59 and 2.23 for Universities, Colleges of Education and Polytechnics are less than the critical ANOVA value of 3.25 indicating that the respondents do not differ significantly in their mean ratings on the adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State based on institution type. Therefore, the hypothesis is not rejected.

### Discussion of Findings

The findings of the study revealed that funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions in Enugu State are not adequate. This was shown by a mean score of 1.99 which fell under inadequate boundary limit of 1.50 – 2.49. The findings of this study is consistent with that of Effiong, Nwaiwu and Okpemie (2012) which reported that there was inadequate funding for entrepreneurship in business education programme in colleges of education in Rivers State. In agreement, Ekong and Nwokocha (2014) in a related study disclosed that there was inadequacy of funding entrepreneurship education in secondary and technical schools in south-south states. Adequate and regular financing is the key to success of every educational system in general and entrepreneurship development centres in particular (Okike & Abraham-Ibe, 2015). Okike and Abraham-Ibe further stressed that entrepreneurship development centres could only succeed in making its products, the educational services rendered and corresponding improvements in students' skills and attitudes, if funds are adequately provided to harness the required inputs (human resources, infrastructural facilities and equipment) for continuous increase in productivity.

In addition, the result of the test of hypothesis showed that respondents in tertiary institutions in Enugu State do not differ significantly in their mean ratings on the adequacy of funding for skill acquisition in Entrepreneurship Development Centres in tertiary institutions owned by federal and state governments in Enugu State. This is in-line with the findings of Ekong and Nwokocha (2014) which revealed that there was no significant different in mean rating on adequacy of funding in entrepreneurship education in public secondary and technical schools in south-south, Nigeria.

### Conclusion

In the light of the findings of this study, it could be concluded that Entrepreneurship Development Centres in tertiary institutions in Enugu State do not have adequate funding for skill acquisition in entrepreneurship. Type and ownership of institutions did not influence the opinion of the

respondents regarding the adequacy of funding for skill acquisition in the Entrepreneurship Development Centres. Efforts should be made to enhance the effectiveness of the centres for entrepreneurship skill acquisition among undergraduates. Nigeria is facing increased youth unemployment; enhancement of entrepreneurship development centres effectiveness through provision of adequate funding for the centres will boost the provision of human and material resources for the acquisition of entrepreneurial skill among undergraduates who will venture into their own enterprises upon graduation for self-employment and job creation in the country.

### Recommendations

1. Federal and State governments, and other stakeholders in tertiary education should provide adequate funding for skill acquisition in entrepreneurship development centres in tertiary institutions in Enugu State. This will enhance the provision of necessary resources for effective instruction and skill acquisition in Entrepreneurship Development Centres.
2. The management of tertiary institutions in Enugu State should source for fund beyond government budgetary allocations through internal generated revenues and external grants to ensure adequate provision of resources in Entrepreneurship Development Centres.

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