Entrepreneurial Skills Required of Small and Medium Scale Construction Firms’ Operation in Abuja, Nigeria

K.C. Okolie & Ukwumonun Etubi
Department of Building, Faculty of Environmental Science
Nnamdi Azikiwe University Awka, Nigeria

ABSTRACT
The study examined the entrepreneurial skills required of small and medium-scale construction firms’ operations in Abuja. One research question and hypothesis guided the study. The study adopted a descriptive research design. The population of the study consisted of 976; 401 managers and 572 contractors in registered small and medium-sized building construction firms in Abuja. A sample size of 278; 119 managers and 159 contractors were used for the study. The sample size for this study was determined using Taro Yamane’s sample reduction formula. The data for this study was collected using a structured questionnaire. The face and content validity of the instrument was established using the opinions of three experts from the Department of Building, Faculty of Environmental Sciences, Nnamdi Azikiwe University, Awka. The reliability of the instrument was established using Cronbach alpha; which yielded a reliability coefficient of 0.78. The findings of the study revealed that financial management, industry knowledge, project management, innovation and technology savvy, risk management, quality control, and adaptability are the most essential entrepreneurial skills for small and medium-sized construction firms in Abuja. The study among others recommended that managers of these firms should place emphasis on financial management skills, and networking skills through training programs, workshops, and mentoring opportunities.

KEYWORDS
entrepreneurial skills; small and medium-sized building construction firms; performance

INTRODUCTION
The construction industry is widely regarded as a job creator on a global scale. In Nigeria for instance, the construction sector contributed around 3.99% to the nominal GDP in 2016, slightly lower than the prior year but higher than the 4th quarter of 2015, serving as a major employer and a key factor in reducing unemployment (Nigeria Bureau of Statistics, 2016; Klaus, 2016). Similarly, NBS (2015), noted that the construction industry in Nigeria employs about 25% of the country’s workforce along its value chain, making it the second-largest employer of labor after agriculture. This development has led to a proliferation of small and medium-scale construction enterprises or firms in the country and more especially in Abuja.

Small and medium enterprises (SMEs) are businesses that fall within a certain size range in terms of employees, revenue, or assets. The classification of SMEs can vary from one country to another, but it typically includes both small enterprises (with fewer employees and lower revenue or asset thresholds) and medium-sized enterprises (with slightly larger employee numbers and higher financial measures).

Defining a small-scale enterprise is undoubtedly a difficult task because the definition varies from country to country and from one time to another in the same country depending on the pattern and stage of development and government policy.
However, evidence from the literature shows that in defining small-scale enterprises, reference is usually made to some quantifiable variables such as the number of employees, capital outlay, the annual turnover, and the asset value of the enterprise or a combination of any of these variables (Aremu, 2010; Payton, 2012).

The National Economic Reconstruction Fund (NERFUND) in Etebefia and Akinkumi (2013) defined small-scale enterprises as those enterprises whose fixed assets and cost of new investment do not exceed N10 million. In the same vein, the National Council on Industry in Osotimehin and Olajide (2012) defined small-scale enterprises as enterprises whose total cost, including working capital but excluding the cost of land, is over a N1 million but not more than N40 million and whose labor size of between 11 and 35 workers. However, small-scale enterprises refer to those enterprises whose total fixed assets excluding working capital does not exceed N10 million with a total number of employees ranging from 5-25.

Identifying SMEs in the construction industry involves a combination of factors such as employee count, financial indicators, ownership structure, market presence, and operational characteristics. The prominence of Small and Medium Enterprises (SMEs) within the construction industry is increasingly vital in the global economy, particularly in developing nations, due to the restructuring of larger enterprises to adapt to economic changes (Tshikhudo, 2016). These smaller entities are critical for job creation, skills transfer, and overall economic development within the construction sector (Chilipunde, 2010). However, small and medium-sized construction firms face various obstacles like limited funding, inadequate training, technological constraints, and recruitment challenges (Raymond & Ganesan, 2017; Scott, 2011).

Despite the large employment potential and the contribution of the construction industry to national growth, the professionals in this industry face challenges in finding and accomplishing work (Bolaji, 2020). According to him, this scenario has not enabled the potential of small and medium-sized construction firms to be explored in terms of global competitiveness. While the contribution of small and medium-sized construction firms could be far-reaching in economic development through job creation and gross domestic product (GDP) growth, by improving their delivery capacity (Ilori, 2017), empirical studies on the competitiveness review of this category of firms are generally lacking in Nigeria.

Small and medium-sized construction firms comprise several specialized disciplines in a bid to meet the changing needs of clients and cope with the complexities of modern construction time (Bolaji, 2020). Professionals in small and medium-sized construction include builders, Estate Surveyors & Valuers, Land Surveyors, Civil/Structural Engineers, Mechanical and Electrical (M/E) Engineers, Town Planners, Architects, and Quantity Surveyors. It is noted that the level of industrial development expected to be generated through the development of small-scale enterprises compared to the needs of the country has never been achieved. It is on this basis that Ezeh (2011) reported that every year in Nigeria, a number of small-scale enterprises spring up but many eventually collapse within a short time frame. This could be a result of a lack of entrepreneurial skills.

Broadly speaking, Ihebereme (2018) defined entrepreneurial skills as the process of acquiring or gaining effective and ready knowledge in developing one’s aptitude and ability in a particular field. Ihebereme (2018) further explained that entrepreneurial skills are among the policies embarked upon in Nigeria with the sole aim of alleviating poverty, youth restiveness, sophisticated crime, and corruption rate; rural-urban drift, unemployment, and other social vices. Entrepreneurial skills are the transferable skills that an individual needs to become employable and able to manage a business (Egwanyenga & Ranor, 2012). Overtoon (2010) defined entrepreneurial skills as the transferable core skill groups that are required by the 21st-century workplace.

Therefore, individuals need different skills such as human relations skills, problem-solving skills, managerial skills, marketing skills, and ICT skills to run any kind of business enterprise (Adeniji, 2016). In a similar fashion, Egwanyenga and Ranor (2012) enumerated entrepreneurial skills for business operations as follows: accounting and financial competency skills, marketing skills, problem-solving skills, and general business skills. But for the purpose of this study, human relations skills, managerial skills, problem-solving skills, and ICT skills are taken into consideration.
According to Afolabi and Macheke (2012), skills essential for the success of small and medium enterprises include motivation, the ability to gather resources, financial management, human resource management, marketing, and technical skills. A weakness in a particular skill is associated with a decrease in the overall performance of the venture. Skilled entrepreneurs have all it takes to go after their dreams and reach their main goals. They have a way of surviving the tough situation unlike those who have totally no experience or lack important skills such as managerial, accounting, negotiation, and customer relationship skills (Wamoto et al., 2016).

The owner of a business is a key factor in business performance. The relationship between the owner of a business and its performance indicates that entrepreneur-minded owner grows their business to maturity due to their administrative competencies (Sarwoko et al., 2013). These skills are required for small and medium-sized construction firms across the globe including Abuja. A weakness in a particular skill is associated with a decrease in the overall performance of the venture. It is against this background that this study seeks to examine entrepreneurial skills development for small and medium-sized construction firms in Abuja, Nigeria. The present study provides insight into the essential entrepreneurial skills requirements for small and medium-sized construction managers that could help in quality improvement and successful management of projects.

STATEMENT OF THE PROBLEM
Small and Medium-Sized Construction firms play a pivotal role in shaping the city’s landscape, contributing to essential infrastructure like buildings, roads, and bridges (Turaki, 2021). Small and medium-sized construction firms are faced with difficulties in competing with well-established firms in the industry. According to Martin and Root (2012), newly formed SMEs mostly fail to be sustainable, with many failures in their first five years of existence, due to ineffective management skills and techniques. Small and medium-sized construction firms encounter significant challenges related to entrepreneurial skills development. These firms often lack essential entrepreneurial competencies necessary for sustainable growth, such as effective financial management, innovative strategies, market adaptation, project management, and human resource development (Duru et al., 2018). These firms are confronted with some project management failures and failures to execute effective planning, which is related to basic management skills and ultimately leads to non-profitable business (Bikitsha & Amoah, 2020).

As a result, small and medium-sized construction firms are often not considered by all categories of clients for projects of higher complexities and profitability for fear of their abilities to meet these parameters. It is the usual practice that ‘white elephant projects’ are awarded to big/large construction firms that are mostly owned by foreign investors (Mitrofanova et al., 2015) and this scenario has not enabled the potential of small and medium-sized construction firms to be explored in terms of global competitiveness.

Thus, professionals and managers of small and medium-sized construction firms need to be equipped with various essential skills to be able to execute projects timely. Skilled entrepreneurs have all it takes to go after their dreams and reach their main goals. They have a way of surviving the tough situation unlike those who have totally no experience or lack important skills. Moreover, Martin and Root (2012) argue that small and medium-sized construction firms are confronted with unprofitable tender prices, abuse by main contractors, poor general management, and technical difficulties. Bikitsha and Amoah, (2020) indicate that lack of experience, lack of planning, inadequate estimate practices, and poor managerial competence in regulating company policies are some of the factors that cause delays in construction project delivery. Undoubtedly, similar situations are obtainable in Abuja Metropolis where large numbers of small and medium-sized construction firms operate. The researcher is worried about this ugly situation because of its effects on the economic well-being of small and medium-sized construction entrepreneurs, firms, the general public, and the government. Hence this study is imperative as it will reveal the actual situation in these small and medium-sized construction firms and provide an objective guide for remedial actions by managers.

AIM AND OBJECTIVES OF THE STUDY
The aim of this study is to investigate the entrepreneurial skills required of small and medium-sized Develop effective entrepreneurial skills development model for small and medium-sized construction firms in Abuja Nigeria.
Research Question
The following research question was raised.
1. What are the entrepreneurial skills required of small and medium-sized construction firms’ operation in Abuja?

Hypothesis
The following hypothesis was formulated and tested at a 0.05 level of significance.

H01: There is no significant difference between the mean responses of managers and contractors on entrepreneurial skills required of small and medium-sized construction firms’ operations in Abuja.

METHODS
The study adopted a descriptive survey research design. The population of the study consisted of 976; 401 managers and 572 contractors in registered small and medium-sized building construction firms in Abuja. A sample size of 278; 119 managers and 159 contractors were used for the study. The sample size for this study was determined using Taro Yamane’s sample reduction formula. The questionnaire had two sections A and B. Section A contained items on the demographic data of the respondents while Section B contained 12 items related to a research question. The questionnaire was weighted on a five-point Likert Scale, where 1= undecided, 2= strongly disagree, 3 = disagree, 4= agree and 5 = strongly agree. The researcher with the help of three research assistants administered the questionnaire and engaged the respondents in follow-up phone calls to ensure a good response rate. The face and content validity of the instrument was established using the opinions of three experts from the Department of Building, Faculty of Environmental Sciences, Nnamdi Azikiwe University, Awka. The reliability of the instrument was established using a pilot test of twenty selected building professionals, construction managers, and contractors from Nasarawa State, which is outside the study area but has similar features to the studied area. Data collected was analyzed using Cronbach alpha which yielded a reliability coefficient of 0.78. The arithmetic mean was used to analyze data related to the research question. Standard deviation was used to determine the homogeneity or otherwise of the respondents’ ratings. The mean ratings were interpreted using the real limit of 3.50. Thus, any item that had a mean rating of 3.50 and above was regarded as agreed while any item with a mean rating less than 3.50 was regarded as not agreed. The t-test statistical tool was used in the analysis of the hypothesis. The null hypothesis was rejected where the calculated p-value was less than the 0.05 level of significance, which meant that there was a significant difference between mean scores. Conversely, where the calculated p-value was greater than or equal to the level of significance (0.05), it meant that there was no significant difference and the hypothesis was accepted.

RESULTS
Research question 1
What are the entrepreneurial skills required of small and medium-sized construction firms in Abuja Nigeria?

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industry Knowledge: Understanding construction processes, materials, and technologies is crucial. Entrepreneurs should stay updated on industry trends, regulations, and best practices.</td>
<td>275</td>
<td>3.77</td>
<td>.423</td>
</tr>
<tr>
<td>2</td>
<td>Risk Management: Construction projects often involve various risks. Entrepreneurs need to be adept at identifying, assessing, and managing risks to ensure the successful completion of projects within budget and timelines.</td>
<td>275</td>
<td>3.76</td>
<td>.428</td>
</tr>
<tr>
<td>3</td>
<td>Financial Management: Strong financial skills are essential for budgeting, cost estimation, and financial planning. Entrepreneurs must be able to manage cash flow effectively, control costs, and make sound financial decisions to ensure profitability.</td>
<td>275</td>
<td>3.80</td>
<td>.401</td>
</tr>
<tr>
<td>4</td>
<td>Project Management: The ability to plan, organize, and execute construction projects efficiently is crucial. Entrepreneurs should be skilled in project scheduling, resource allocation, and coordination to deliver projects on time and within scope.</td>
<td>275</td>
<td>3.77</td>
<td>.421</td>
</tr>
</tbody>
</table>
Table 1 shows the findings of a study on the essential entrepreneurial skills for small and medium-sized construction firms in Abuja, Nigeria. The results indicate that the most crucial skills include financial management (mean score of 3.80), industry knowledge (mean score of 3.77), project management (mean score of 3.77), innovation and technology savvy (mean score of 3.76), risk management (mean score of 3.76), quality control (mean score of 3.52), and adaptability (mean score of 3.51). Additionally, the study found that legal and regulatory compliance and problem-solving skills are also necessary for these businesses, with mean scores of 3.49 and 3.49, respectively. Networking (mean score of 3.43) and customer focus (mean score of 2.88) were also identified as essential skills for small and medium-sized construction firms in Abuja, Nigeria.

**Hypothesis 1**

There is no significant difference between the mean responses of managers and contractors on entrepreneurial skills required of small and medium-sized construction firms’ operations in Abuja.

### Table 1: S/N, Item Description, N, Mean, Std. Deviation

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Networking: Building and maintaining relationships with clients, suppliers, subcontractors, and other stakeholders is key. Networking can lead to new opportunities, collaborations, and a positive reputation in the industry.</td>
<td>275</td>
<td>3.43</td>
<td>.496</td>
</tr>
<tr>
<td>6</td>
<td>Communication Skills: Effective communication is vital for conveying project requirements, negotiating contracts, and maintaining good relationships with clients and team members. Clear communication helps avoid misunderstandings and conflicts.</td>
<td>275</td>
<td>2.31</td>
<td>1.128</td>
</tr>
<tr>
<td>7</td>
<td>Adaptability: The construction industry is subject to changes in regulations, technologies, and market demands. Entrepreneurs must be adaptable to navigate through uncertainties and capitalize on emerging opportunities.</td>
<td>275</td>
<td>3.51</td>
<td>.501</td>
</tr>
<tr>
<td>8</td>
<td>Innovation and Technology Savvy: Embracing innovation and staying abreast of technological advancements in construction methods and materials can provide a competitive edge. Entrepreneurs should be open to incorporating new technologies to enhance efficiency</td>
<td>275</td>
<td>3.76</td>
<td>.428</td>
</tr>
<tr>
<td>9</td>
<td>Legal and Regulatory Compliance: A good understanding of local and national construction regulations, permits, and compliance requirements is essential. Non-compliance can lead to legal issues and delays in project completion.</td>
<td>275</td>
<td>3.49</td>
<td>.501</td>
</tr>
<tr>
<td>10</td>
<td>Problem-solving Skills: Construction projects often encounter unexpected challenges. Entrepreneurs should be adept at problem-solving, thinking creatively, and making informed decisions under pressure.</td>
<td>275</td>
<td>3.49</td>
<td>.501</td>
</tr>
<tr>
<td>11</td>
<td>Quality Control: Ensuring the highest quality in construction work is crucial for client satisfaction and reputation. Entrepreneurs need to implement and monitor quality control measures throughout the project lifecycle.</td>
<td>275</td>
<td>3.52</td>
<td>.501</td>
</tr>
<tr>
<td>12</td>
<td>Customer Focus: Understanding and meeting customer needs is paramount. Entrepreneurs should prioritize customer satisfaction, as it often leads to repeat business and positive referrals.</td>
<td>275</td>
<td>2.88</td>
<td>.808</td>
</tr>
</tbody>
</table>

In the result shown in Table 2, the calculated t-value of 306.064, with 274 degrees of freedom, indicates a highly significant result. The p-value, reported as 0.000, suggests that the observed difference is statistically significant at a 0.05 level of significance. Consequently, the null hypothesis is rejected. There is no significant difference in the mean score’s responses of the respondents on the entrepreneurial skills required of small and medium-sized construction firms’ operations in Abuja.

### Table 2: T-Test on the Mean Scores Responses of Respondents on the Entrepreneurial Skills Required Among Small and Medium Sized Construction Firms.

<table>
<thead>
<tr>
<th>Categories</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
<th>Cal. T</th>
<th>Df</th>
<th>P-value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>119</td>
<td>3.45</td>
<td>0.76</td>
<td>306.064</td>
<td>276</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Contractors</td>
<td>159</td>
<td>3.67</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DISCUSSION
The findings of the study revealed that financial management, industry knowledge, project management, innovation and technology savvy, risk management, quality control, adaptability, legal and regulatory compliance, problem-solving skills, networking, and customer focus were all crucial skills for the success of small and medium-sized construction firms in Abuja, Nigeria. The high mean scores of financial management, industry knowledge, and project management indicate that these skills are highly valued and necessary for the success of businesses in the region. This is not surprising, as financial management is essential for the proper allocation and management of resources; industry knowledge is crucial for understanding the market and competition; and project management is necessary for the timely and efficient completion of projects.

Innovation technology savvy and risk management were also identified as crucial skills, indicating the importance of staying updated with the latest technologies and being able to manage and mitigate risks in a constantly changing business environment. This is particularly relevant for small and medium-sized construction firms in Abuja Nigeria, as they operate in highly competitive and rapidly evolving industries. Quality control and adaptability were also ranked highly, highlighting the importance of delivering high-quality products and services and being able to adapt to changing market demands and conditions. This is crucial for maintaining a competitive edge and sustaining long-term success in the highly competitive business landscape.

The study also found that legal and regulatory compliance and problem-solving skills are essential for small and medium-sized construction firms in Abuja Nigeria. This is a reflection of the complex and ever-changing regulatory environment in Nigeria, where businesses must navigate various laws and regulations to operate successfully. Additionally, problem-solving skills are necessary for addressing any challenges or obstacles that may arise in the course of business operations. Networking and customer focus were also identified as crucial skills, albeit with slightly lower mean scores. This highlights the importance of building strong professional networks and maintaining good relationships with customers for the growth and success of small and medium-sized construction firms in Abuja, Nigeria.

The findings of the study further revealed that there was a significant difference in the mean scores of the responses of respondents on the entrepreneurial skills required among small and medium-sized construction firms in Abuja Nigeria, Nigeria. The findings of the study are supported by the research conducted by Adegbuyi et al. (2015) and Zehra and Faizan (2017). Adegbuyi et al. (2015) found that business strategies such as customer orientation, employee autonomy, communication, training and development, job satisfaction, corporate social responsibility, and motivational factors play a significant role in organizational productivity. These strategies align with the identified essential skills for small and medium-sized construction firms in Abuja Nigeria and further emphasize their importance in achieving business success. Similarly, Zehra and Faizan (2017) noted that entrepreneurs with high-quality projects need a partner for financial assistance or idea development, highlighting the importance of financial management and innovation in business growth and success.

CONCLUSIONS
Based on the findings of the study, it was concluded that financial management, industry knowledge, project management, innovation and technology savvy, risk management, quality control, and adaptability are the most essential entrepreneurial skills for small and medium-sized construction firms in Abuja. These skills have a positive impact on customer satisfaction, financial performance, adaptability to market changes, risk management, market competitiveness, networking opportunities, project timeliness, investor confidence, resource optimization, sustainability integration, employee morale, and innovation.

RECOMMENDATIONS
Based on the findings from the study, the following recommendations are made for the effective development of entrepreneurial skills in small and medium-sized construction firms’ operations in Abuja:
1. Managers of these firms should emphasize financial management skills. This can be achieved through training programs, workshops, and mentoring opportunities.
2. Managers of these firms should encourage industry knowledge and networking skills.
3. Managers of these firms should actively participate in industry associations and networks, attend industry events and conferences, and collaborate with other firms to gain knowledge and build relationships.

REFERENCES


