



## **RESOURCEFULNESS AS AN EFFECTIVE TOOL FOR SMALL SCALE BUSINESS OPERATION FOR NATIONAL DEVELOPMENT**

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### **ABSTRACT**

*This study was designed to examine the resourceful ability demonstrated by small scale business operators and how small scale business enterprises encourage national development. To guide the study, one research hypothesis and one research were formulated and tested using simple linear regression. The instrument used was a researcher made instrument titled “resourceful small scale business operation appraisal” (RSSBOA). A sample of 316 small scale business operators was used for this study. The research design adopted was ex-post facto because the variable under study had already occurred and data collected was tested using simple linear regression which was tested at .05 level if significance. Based on the findings, it was recommended that for the purpose of continuity, success and sustainability, small scale business operators should be resourceful as this will enhance their business skills, performance and business growth.*

*Keywords: Resourcefulness, Effective tool, Small scale business operation and National development.*

### **Introduction**

Businesses enterprises that are privately owned, operated and managed by one person and also known as a sole proprietor, corporation or partnership is referred to as small scale business. Small scale business also called small scale enterprise according to Flora, (2018) is a business that employs a small number of workers and does not have a high volume of sales. Small scale business operators are important factors of production, service providers, agents for national development and employment providers. These all important roles will be performed maximally by a resourceful business operator. A small scale business operator acts as a critical factor for any product to be marketed effectively because the business operator introduces new products to the customers (the consumers), educates them on how to use the products as well as encourages them to buy. Small scale enterprises are those businesses which do not employ more than 50 employees and have initial capital equipment of N600,000.00.

In the Nigerian context, a small business is any business that is owned, managed and controlled by a sole proprietor or partners of about two persons, has total assets of about five million naira, does not have more than fifty employees and controls small share of the market (Akeke, 2017). It is a business that is small in size, both in terms of sales and employees, the capital to operate the business is supplied by only one person or by a few people and the managers of the business (usually a sole proprietorship, a partnership, or a family owned corporation) are its owners, who are responsible only to themselves and who are independent of a board of directors or a



“corporate office”. A small scale business owner is both the manager and director of the business operation because he/she is not responsible to anybody. Osuala, (2009) stated that small scale businesses in Nigeria dates back to the second National Development Plan (1970–1974) period when the small scale industries credit scheme was initiated in the twelve states of the federation with an initial capital input of N20 million from the Federal Ministry of Industries to be matched by the state governments in their yearly budgets.

In other to grow the business, the operator must be passionate about breaking boundaries and being successful to attain national development. The business operator must be open minded about achieving set goals, should explore opportunities, possibilities, share experiences and suggestions. Sherrie (2017) enumerated six characteristics of a resourceful person to include; open minded, self-assurance, imaginative, being proactive, persistent and hopeful. In addition to this, Hall (2014) stated that resourceful business leaders do not procrastinate, they grow and nurture a massive network, are up-to-date on the latest tools, read and educate themselves, ask for favour, know when to be honest, work hard when it is necessary, genuinely care about others, worry about their goals first and ego later, pay for what they cannot do best and put smart people one could learn from around.

A manager needs adequate preparation during the training period to qualify to be resourceful. Business preparation is that process of initiating, planning, preparing and equipping a would-be professional small scale business operators with relevant experiences, skills and competencies that will help qualify them to take on the responsibilities of their businesses/professions effectively. This process encourages the attainment of national development because these group of people will become self-employed, self-reliant and employers of labour. This form of business contributes immensely to the national development of every nation by creating jobbing opportunities to citizens. Over the decades, small scale businesses have contributed immensely to the development of Nigeria. Osuala, (2009) opined that small business enterprises have made significant contributions to the economy and well-being of Nigeria ranging from the stimulation of the nation’s resources, employment, rural-urban migration, skill acquisition, stimulation of rural resources, income generation and redistribution, better standard of living, economic development to fostering large scale production. These contributions have in no small measures contributed to the growth of the Gross Domestic Product (Osuala, 2004). Some notable contributions of small scale business operations to the development of Nigeria are as itemized below:

1. Job creation and employment opportunities: Most youths today are gainfully employed by operators of small scale businesses while others are themselves, employers of labour. This has in a way helped to reduce social vices in the society.
2. Reduction in rural-urban migration: With the establishment of small scale businesses in rural areas, migration to urban cities will be reduced. This results in the decongestion of urban centres resulting in the stimulation of rural development.
3. Small scale business operations can also lead to a diversified economy which will help to reduce over-dependency on crude oil.



4. Small scale businesses also attracts government presence in the area of infrastructural development such as accessible road network, electricity, among others.

There are several opportunities to be explored by small scale business operators which involves bringing in new processes, new equipment, ideas and doing things differently in the competitive economy. This means having an eye for potential opportunity and planning ahead to exploit the opportunity (Oduma, 2012). It is a resourceful person that have the capacity to exploit new opportunities. According to Sherrie (2017)there is not a more useful or important trait to possess than resourcefulness in the pursuit of success.

According to Dictionary.com (2017),resourcefulness as the ability to deal skilfully and promptly with new situations, difficulties and challenges. Resourcefulness is a mindset and is seriously needed when in pursuit of difficult goals without a clear part to attain the goals. It motivates, gingers and inspires thinking out of the box (Mbang, Koko and Asita, 2012). A small scale business operator is an entrepreneur and entrepreneur's special attributes like resourcefulness, intelligence, initiative, creativity and innovativeness should better be developed through formal education in order to reduce the scourge of poverty. Resourcefulness is synonymous to creativity because it is one of the major ingredients that makes for effectiveness. The small scale business operators in dealing with customers or consumers, need to be resourceful to enhance their creativity and performance in customer's care.Resource is referred to as the money, material, man and other assets that a person or an organization needs to function effectively, while resourcefulness is the ability to cope with difficult situations in the process of job performance. One might have the resources but fail in business because of not being resourceful.

Resourcefulness as one of the most important thing in managing people. It refers to the ability to develop new ideas in the management of ones' business and prospective customers (Babalola and Ayemi 2009). Every manager needs to be resourceful as this will increase the capacity of idea generation and enhancement. Where this is absent, idea generation will be difficult if not impossible which will consequently contribute to inefficient decision-making. Resourceful people are able to develop unique and viable alternatives that often fast track time-consuming tasks. Being resourceful helps a manager to always show positive attitude towards any opportunity at hand. The manager wears the expression of pleasure despite anxieties about anticipated capable outcome and active participation in daily activities that challenge the person's abilities. The development in resourceful ability is a description of how occupational performance develops from existence to the highest level of societal contribution along a continuum which signifies the optimal level of occupational performance and can be reached only by few people due to limitations.

Resourcefulness is about thinking creatively, generating ideas and identifying alternatives. A resourceful man or woman has the ability to find a way to achieve goals, especially when the goal seems difficult to achieve with little or no direction given.The resourceful person finds opportunity in every challenge, has possible and alternative waysof solving problems, thinks out of the box to improve performance.



Resourcefulness is the ability to improvise materials where there is none to enhance performance. Resourcefulness transforms one into an enterprising, creative and innovative businessman/woman.

Those who survive the recession and survived it well, were not necessarily the ones with the most financial resources, but the ones who were most resourceful (Bill, 2014). Having all the needed resources (financial, physical, material and human) does not necessarily guarantee the success of small scale business operations but the ability to harness these resources in challenging situations such as competitions, harsh economic policies and recession. It involves being creative and innovative. A resourceful businessman possesses the ability of finding ways to deal with practical problems. The resourceful ability will help a small scale business operator to make adequate preparation, improve upon the management of the business by systematically integrating all the managerial skills in the business operation. Udo (2005) listed factors that can barrier entrepreneurship development to include shortage of capital, difficulties in economic environment, unavailability of real business opportunities and nature of government regulations. In spite of all these factors, a resourceful business operator will have a way to navigate to make the best out of the situation.

A study conducted by Chika (2018) on Business policies and entrepreneurship development among small scale business owners showed that Small scale business owners are affected by lack of basic amenities or infrastructural facilities, lack of power supply, inconsistencies in government policies, unfriendly fiscal policies of excess taxes and duties, high cost of production as a result of inadequate infrastructure, insecurity of lives and properties, competition with foreign products or restricted access to market and absence of sustainable institutional mechanism. These are of course serious challenges but a resourceful small scale business operator will have a way of handling this to continue with the business operation. Resourcefulness is a virtue that enables one to create opportunities to solve problems and provide solutions that will bring about inflow of finance. Staying on in business will contribute to national development because this is one of the sectors that creates more jobbing opportunities for the country.

The foregoing, is in agreement with Oduma, (2012), who stated that in developing countries, small scale businesses are a necessity to assist bigger industries and new projects. They do not only contribute to the economy of the nation but also create employment opportunities to people around the project sites. Globally, small business has been the means through which rapid industrialization and accelerated economic growth have been realized. National development is described as the overall development or a collective socio-economic, political as well as religious advancement of a country or nation (Adulogu,; Odihi & Agi, 2016). The all-round improvement in material well-being of all citizens, in a sustainable way. For small scale business to attain national development, the operators need to set realistic goals, challenging and measurable goals, have clearly defined objectives, have contingency plans and be consistent in following their policies and procedures. There is need to have a wide variety of policies and procedures designed to make its day-to-day



operations run smoothly and demonstrate capacity for quick response to environmental and competitive changes.

### **Statement of the problem**

Small scale business has been one of the major sources of employment and livelihood for most Nigerians especially in this period of serious unemployment. Young school leavers resort to the operation of small businesses due to insufficient capital and inability to meet the conditions to start up medium or large-scale businesses. This business helps them earn a living, be self-reliant, be useful to their families and contribute to the development of the economy. However, most of these business operators do not receive any training (formal or informal) before the commencement of their business activities. This sometimes poses problems and challenges to the growth and expansion of the business. Observation has shown that some of these small businesses shut down within few years of its operation. The inability of most small-scale business operators to thrive has been worrisome. Could their inability to be resourceful be a contributing factor to the poor expansion and continuity thereby, hampering the national development?

### **Research question**

One research question guided this study, which is;

1. What is the influence of resourcefulness on small scale business operation?

### **Hypothesis**

One research hypothesis is formulated and tested at 0.05 level of significance

1. Resourcefulness does not significantly influence small scale business operation.

### **Method**

The research design adopted for this study was Ex-post facto research design. This is because the variables of this study which are resourcefulness and small scale business operators have already occurred in the study area. Simple random sampling technique was used to select 316 small scale business operators out of 624 that were involved in the study. A researcher made instrument titled “resourcefulness of small scale business operation appraisal” (RSSBOA) was used for data collection. The instrument was validated by an expert in test and measurement who ensure its face validity while a trial test was conducted on 30 respondents from the population who were not used for the main study to determine the reliability. The data collected were analysed using Cronbach coefficient Alpha analysis to achieve reliability indices of 0.75-0.79. With these high reliability indices, the instruments were deemed fit to be used for data collection. A 6-item questionnaire comprising of resourcefulness on small scale business operator was used for data collection. The following responses scale was used: Highly Effective (HE), Moderately Effective (ME), Less Effective (LE) and Not Effective (NE). The research question was answered using weighted mean and standard deviation at cut-off point of 2.50 while the hypothesis was analysed with simple linear regression at 0.05 level of significance.

### **Results**



Table 1: Research question. What is the influence of resourcefulness on small scale business operation?

S/N	Item	XSD	remark
1.	Home delivery for bulk purchase	1.420.81	LE
2.	Changing of business according to season	3.030.51	ME
3.	Hand bill advertisement	2.660.60	ME
4.	Maintenance of good rapport with natives	3.580.53	HE
5.	Good relationship with customers	3.440.60	HE
6.	Not paying attention to customers	2.340.47	NE

Table 2: Simple regression analysis on the influence of resourcefulness on small scale business operation

RR	Adjustment R2	Standard error of estimate	
.918	.843	23.077	
Source of variation			
SS	df	MS	
Sig			
Regression	4844.481484	485117.08	.000
Residual	899.39959	4.67	
Total	5743.879		

There is no significant influence of resourcefulness on small scale business operation. Simple linear regression was used in analysing the data collected in order to test the hypothesis.

The independent variable in this analysis is resourcefulness. From the result above, it is seen that there is a strong positive relationship between resourcefulness and small scale business operation ( $R=.918$ ). However,  $R^2=.843$  suggest that 84.3% of the variance in small scale business operation can be explained by resourcefulness. In other words, success of a small scale business operator is strongly predicted by how resourceful he/she is. Moreover, the standard beta value ( $\beta$ ) is significant ( $\beta=.918$ ,  $t=22.621$ ,  $p<.05$ ). This implies that resourcefulness is a good predictor of small scale business operation. With this result, the null hypothesis was rejected and the alternative hypothesis upheld.

### Discussion of findings

Data in table one indicates the mean ratings of the opinions of respondents on the influence of resourcefulness on small scale business operation. The data shows four items 2-5 with mean ratings of 3.03, 2.66, 3.58 and 3.44 which are above the 2.50 cut-off on a four point scale. These makes the activities of the small scale business operator to be either moderately effective or highly effective. The adoption of those activities in the day-to-day running of the business encourages business growth and high performance.

Items 1 and 6 recorded mean ratings of 1.42 and 2.34 respectively. These were below the cut-off point. It shows that not carrying out home delivery of bulk purchase and not paying attention to customers does not encourage business growth as such customers will get upset and move to another business operator. This is in agreement



with Michael, (2007) who identified ten reasons why most small businesses fail to include; lack of management systems, lack of vision, purpose or principles, lack of financial planning and review, over-dependence of specific individuals in business and poor market segmentation and/or communication with customers, competition or lack of market knowledge, inadequate capitalization, absence of a standard-quality program and owners concentrating on the technical, rather than the strategic work at hand.

Data in table two shows that there is a strong positive relationship between resourcefulness and small scale business operation ( $R=.918$ ).  $R^2=.843$  suggest that 84.3% of the variance in small scale business operation can be explained by resourcefulness. This implies that the success of a small scale business operator is strongly predicted by how resourceful he/she is. Moreso, the standard beta value ( $\beta$ ) is significant ( $\beta=.918$ ,  $t=22.621$ ,  $p<.05$ ). This implies that resourcefulness is an effective tool and essential determinant of the success of a small business operation.

This agrees with the assertion of Akeke (2016) that an entrepreneur's special attributes like resourcefulness, creativity, initiative and innovativeness should better be developed through formal education to avoid poverty. Small business operators face a lot of challenges on daily basis hence, the need to be resourceful. This is in agreement with the study conducted by Chika (2018) on Business policies and entrepreneurship development among small scale business owners showed that Small scale business owners are affected by lack of basic amenities or infrastructural facilities, lack of power supply, inconsistencies in government policies, unfriendly fiscal policies of excess taxes and duties, high cost of production as a result of inadequate infrastructure, insecurity of people and properties, competition with foreign products or restricted access to market and absence of sustainable institutional mechanism.

## **Conclusion**

The outcome of this study shows that small scale business operators need to be resourceful for better performance. This quality, skill and value will help them to explore better ways of handling their customers in order to retain them. A resourceful business operator understands the time, season, competitiveness of the market, environmental challenges, government policies, customer's needs and temperament and the best way to approach them. The packaging and market strategies of such a business operator make a whole lot of difference.



## RECOMMENDATION

Based on the findings of this research, it is recommended that for the purpose of continuity, good success and sustainability, small scale business operators should be trained to be resourceful as this will help them diversify and retain their customers as well, encourage lasting business operation.

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