

**CHALLENGES OF GLOBALIZATION: IMPLICATION
FOR ENTREPRENEURSHIP DEVELOPMENT AND
SMALL BUSINESS ENTERPRISES**

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Abstract

The whole world is becoming a small village due to explosion in information technology. What is happening in America, Britain, Tokyo or China is no longer unknown to those in Lagos, Ottawa, or Cape Town. What are the implications of the above innovation for entrepreneurship development and small business enterprise in Nigeria? In this opinion, the study presents a vivid conceptualization of globalization, opportunities, challenges and its problems for entrepreneurship development and small business enterprise in Nigeria. The study reveals many implications of globalisation for entrepreneurship development and small business enterprise such as, advantages of operation in regional economies such as Economic Community of West African States, serving multinationals as suppliers of either products or services, and access to international capital from across national boundaries etc. Arising from this, the study reveals many problems which this technological innovation can result to such as worsening balance of payment of participating countries; it can result to repatriation of profits to other countries. The study recommends a combination of management methods which may be adopted to alleviate globalization challenges such as total quality management benchmarking, delegation and Management by Walking About (MBWA).

Keywords: Globalisation, Entrepreneurship Development and Information Technology

Introduction

The world is changing. Today contemporary scholars are focusing attention on globalisation by showing objective interest to the impacts or effect of the advancement in technology on every field of human endeavour. Thus, this study is not an exception. The scholar focuses attention on the implications, opportunities, and problems of globalisation on entrepreneurship development and small business enterprise.

The opinion has become necessary now that entrepreneurship education and small business entrepreneurs have taken a new dimension in Nigerian Universities, Polytechnic and other tertiary institutions in Nigeria. Viewed from the systemic perspective, it becomes necessary to examine how the globalisation movement or process has affected or is affecting entrepreneurship development and small business enterprise in Nigeria.

The Concept of Globalization

Globalization has been variously defined by several scholars. Friedman (1999) defined globalization as an inexorable integration of markets, nation states, and technologies to a degree never witnessed before in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before. Arising from the above, Obiagulu (2003) defines globalization as coalescence of varied trans-national process and domestic structures, allowing the economy, politics culture and ideology of one country to penetrate another. In collaboration with the above definition it is believed that globalization intends to achieve the following:

- (i) Integration of markets, nation-states and technologies,
- (ii) Enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper,
- (iii) Spread of free market capitalisation into all nooks and crannies of the world,

- (iv) Compression of the world into a global village,
- (v) Conscious intensification of efforts to promote interdependence of efforts to promote interdependence.
- (vi) Consciousness of the fact that the global whole is real.

The implication of the above is that globalization touches every field of human endeavour including entrepreneurship and small business.

Implication of Globalisation for the Small Business Enterprises and Entrepreneurship Development

Globalisation presents various opportunities, challenges and problems for the small enterprise and entrepreneurship. First, with the enabling environment, the entrepreneur and small business managers can easily take advantage of business opportunities in regional economies (Economic Community of West African States for examples) or internationally. This implies that with the advantage of globalisation, former trading and communication barriers are now collapsed.

Another implication is that globalised environment enables the small business manager or the entrepreneur to serve multinational companies as suppliers, of either products or services and to deliver the same standard of performance. Here, the small business manager or entrepreneur cannot give excuses and plead for inadequate infrastructures in your own country and expect your second rate product or service to be accepted. This means that the entrepreneurs or small business managers operating in the globalized world are expected to turn in top performance comparable to that of providers of similar products or services in advanced countries.

Suggested Methods to Overcome the Challenge

Social Scientists have suggested a combination of management methods that can be adopted by a small business manager/entrepreneur to avert the problems of globalisation. For

example, Iornem (1997) revealed five management techniques such as:

- i. Total Quality Management (TQM).
- ii. "Kakushins".
- iii. Management by Walking About (MBWA).
- iv. Benchmarking.
- v. Delegation.

It is believed that the practice of a combination of these management methods as suggested will see a small business enterprise/young entrepreneur through to a successful and profitable venture. We now take these techniques one by one.

i. Total Quality Management (TQM):

Total Quality is a concept which many large enterprises have used to improve all-round performance for the total satisfaction of customers, suppliers and staffalike. Iornem argues that small businesses and entrepreneurs can use Total Quality Management which environment related concerns can be defined as the processes undertaken by an enterprise to achieve customer satisfaction by getting it right first time, through continuous improvement, and by motivating employees. He views that a small enterprise can adopt a less elaborate arrangement than one typically found in a large enterprise practicing Total Quality Management. The basic strategy in this case is for a small business owner to focus on elements of Total Quality Management that can be made operational in small enterprise environment. He suggested that the use of small groups called 'Quality circles' or 'performance improvement groups' or 'productivity circles' as it is called in Total Quality Management language. This group should meet regularly to discuss operational problems and solutions. The group should also look at every activity, whether it is to do with production, customers, personnel, suppliers, etc., and make suggestions for improvements. It is suggested that both the staff and management must show total commitment for the Total

Quality Management to succeed. Also management should show that it appreciates staff contributions by implementing staff suggestions and explaining when it can't. Staff should also be rewarded for good contributions.

ii. **"Kakushin"**

This is a Japanese style of management which is very close to Total Quality Management strategy. 'Kakushin' assumes that change, is inevitable and that one must prepare to make regular changes no matter how small. It is revealed that Kakushin is supported by another concept called "Kaizen" (Kai = good, zen = improvement). In full, Kaizen is a principle that professes small but frequent changes if they are genuinely innovative or creative (what the Japanese call "chi"). It is argued that if this change is adequate, it will be well accepted by customers. It is therefore recommended that if a small business or entrepreneur is to succeed in this globalized world, he should look for ways of making regular, frequent, small but genuine improvements in his products, services as this will go a long way to satisfy customers' needs.

iii. **Benchmarking**

Kotler (1994) holds that the central focus of benchmarking is to copy what is being done well and to improve on it. Sadgrove (1995) argues that the underlying assumption in the practice of benchmarking is that there is no need to reinvent the wheel i.e., there is no need trying to discover what has been discovered before, instead you should simply copy what is being done and make some little changes here and there to produce your own invention; this is the implication of benchmarking for the small business manager and the entrepreneurship.

iv. **Delegation**

Iornem (1997) argues that one of the major problems facing small business enterprise and entrepreneurs is the inability of their operators to delegate. Some owners, it is believed are afraid that if

they delegate work to lower levels, performance may not be as good as if they did it themselves.

Iornem, therefore advised that delegation is an essential management technique in this globalised world that should be mastered by entrepreneurs and small business operators.

v. Management by Walking About (MBWA)

Iornem (1997) reveals that this concept means effective supervision and that it originates from Japan, and that it is one of the Kaizen strategies for effective leadership. The concept is simply suggesting that a manager should make sure that he is seen (visibly in the area of production line or office which is under his supervision). While he is walking about, he monitors what is going on. When applied to the small enterprise manager, it is advised that the small business operator should make sure there is effective supervision (visible leadership) which gives confidence to staff and discourages unproductive habits that can readily harm the business.

Conclusion

In conclusion, it is observed that the challenges of globalisation to small business managers and entrepreneurs are enormous and daunting. However, these challenges could be overcome by the application of some management techniques which will go a long way in solving the problems.

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