



The Functional Skills and the Reliability of SMES in Ebonyi State

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Abstract

The study evaluated the functional skills and the reliability of SMES in Ebonyi State. The specific objectives are to; examine the relationship between communication skills and probability of success; and evaluate the relationship between information technology skills and availability to perform of the SMES in Ebonyi State. The area of the study was Ebonyi State. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. The population of the study was nine hundred eighty seven (987) employees. The sample size of two hundred and seventy seven (277) was adopted using Ferund and Williams's formula. Two hundred and sixty nine (269) employees returned their questionnaire and accurately filled. That gave 97 percent response rate. The validity of the instrument was tested using content analysis and the result was good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation coefficient (r) - test statistic tool. The findings include: Communication skills had significant positive relationship with the probability of success, $r(95, n = 269), .501 < .787, P < .05$ and Information technology had significant positive relationship with the availability to perform of the SMES in Ebonyi State $r(95, n = 269), .378 < .770, p < .05$. The study concluded that Communication skills and Information technology had significant positive relationship with the probability of success and availability to perform of the SMES in Ebonyi State. The study recommended among others that The management of the SMES should emphases on the effective Communication as this will helps us better understand people and situations and helps overcome diversities, build trust and respect, and create conditions for sharing creative ideas and solving problems.

Keywords *Functional Skills; Reliability of SMES; Ebonyi State*

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Introduction

In the modern era, business activities depend on the functioning of the legal system for back up and to regulate interactions between business entities and the environment. This ensures that business activities, ranging from negotiations and agreement, promises and fulfilment are made against the backdrop of the functional legal system which therefore acts as an umpire to ensure fairness and legalities in these activities (Ufua et al., 2020; Kadiri, 2022). While these operational activities among small and medium enterprises (SMEs) call for caution and alignment with the legal system, the attention of SMEs practitioners is drawn to factors, such as the extent to which the Nigeria legal system can offer SMEs the needed legal provisions. These can support their operations and obligations in the Nigerian economy (Gorondutse and Hilman, 2017). Performance of small and medium enterprises (SMEs) in the manufacturing industries all around the world is considered as a major driver of the economic development, specifically; in the areas of industrialization, modernization, and urbanization (Akoma, Adeoye, Akinlabi and Ayeni, 2023).

However, SMEs in Nigeria manufacturing sector are encountering difficulties that lean their performance. The urge to remain buoyant, feasible, and innovative is often being obstructed by the slow rate of growth of the firm. It is conceived, perhaps, that risk-taking and proactive ability could make a substantial difference in ameliorating the challenges in the sector (Akoma *et al.*, 2023). The rise of technology in the workplace is showing no signs of abating, and businesses with the most digitally literate employees are emerging as today's leading organizations (Ojobo, 2023). Technology access is vital for all entrepreneurs who want their businesses to grow. The challenge of making an organization's employees digitally know-how can seem vast, but it is also necessary for productivity, creativity, and growth (Dimitropoulou, 2021). Information technology is fundamentally changing business models, how work is performed and managed, the skills needed in the workplace and expectations. These developments have affected the whole essence of an individual's life (Olajide, 2020). On the backdrop the study examine the functional skills and the reliability of SMEs in Ebonyi State.

Statement of the Problem

Small and medium enterprises are the lifeblood of Nigeria economy. These businesses often struggle to access the funding they need to grow and scale with many facing significant challenges when it comes to securing financing from traditional sources like banks and other financial institutions. Owing to the growing inability of the state to provide employment for citizens globally, SME growth now appeals to many people as the solution to employment generation and by implication, economic growth and development.

The significance of SMEs' performance has long been recognized. It is well established that SMEs play crucial role in the development and growth of the national economy. The problem facing the study was poor communication skills, and information technology. Despite the support of Government, financial institutions and other stakeholders in improving the performance of SMEs in the country, many SMEs perform below expectation in the developing countries like Nigeria, and those in Nigeria. Many SMEs' managers in Nigeria as well as those in Ebonyi State are ignorant of the contributions of information to the growth and survival of their firms.

The challenges faced by SMEs in Nigeria when it comes to accessing funding are significant, but not insurmountable. Alternative financing options like crowdfunding can help to bridge the gap left by traditional sources of financing and provide Nigerian SMEs with the capital they need to grow and thrive. Therefore, the potentials and opportunities for SMEs in Nigeria to rebound and play the crucial role of engine of growth, development and industrialization, wealth creation, poverty reduction and employment creation are enormous. The realization of this requires a paradigm shift from paying lip service to a practical radical approach and focus on this all-important sector of the economy by the government realistically addressing the identified problems.

Objectives of the Study

The main objective of the study was to evaluate the functional skills and the reliability of SMEs in Ebonyi State. The specific objectives are to;

- i. Examine the relationship between communication skills and probability of success of SMEs in Ebonyi State.
- ii. Evaluate the relationship between information technology skills and availability to perform of the SMEs in Ebonyi State.

Research Questions

The following research questions guided the study;

- i. What is the relationship between communication skills and profitability of success of SMEs in Ebonyi State?
- ii. What is the relationship between information technology skills and availability to perform of the SMEs in Ebonyi State?

Statement of the Hypotheses

The following hypothesis guided the study;

- i. Communication skills have relationship with the probability of success of SMEs in Ebonyi State.
- ii. Information technology has relationship with the availability to perform of the SMEs in Ebonyi State.

Significance of the Study

The study will benefit the following stakeholders; economy, individual, and researchers

Economy: SMEs provide the economy with a healthy supply of new skills and ideas and make the marketplace more dynamic, many innovations and inventions across the globe emanate from the SME sector and they disrupt markets and make lives easier for consumers at large.

Individual: The study offers concrete guidance on the combination of skill factors that make some people more successful as SME owners and entrepreneurs than others in the same sector.

Students/Researchers: This study help the students in carrying out the extensive and ongoing research gathering of reliable and accurate information about SMEs in Nigeria as a whole.

Scope of the Study

The study examined on functional skills and the reliability of SMEs. The geographical location was Ebonyi State, Nigeria. Ebonyi State is a state in the South-East geopolitical zone of Nigeria, bordered to the north and northeast by Benue State, Enugu State to the west, Cross River State to the east and southeast, and Abia State to the southwest. Communication skills and information technology were used as the major variables of the study.

Review of the Related Literature

Conceptual Framework

Functional

A function is defined as a relation between a set of inputs having one output each. In simple words, a function is a relationship between inputs where each input is related to exactly one output. Every function has a domain and co-domain or range (Byju's 2024). A function has three parts, a set of inputs, a set of outputs, and a rule that relates the elements of the set of inputs to the elements of the set of outputs in such a way that each input is assigned exactly one output (Sabastian, 2023). Functional is the way in which something works or operates, or relating to how useful it is. A functional organization system is a system of working wherein there are clear cut roles for every individual and a vertical reporting structure. Functional organization has been divided to put the specialists in the top position throughout the enterprise. This is an organization in which we can define as a system in which functional department are created to deal with the problems of business at various levels (Management Study Guide, 2024).

Skills

In order to complete tasks successfully, you should have knowledge, ability and competence. These qualities, known as skills, can be developed to help you gain expertise in a specific area (Indeed Editorial Team, 2023). A skill is the learned ability to act with determined results with good execution often within a given amount of time, energy, or both. Skills can often be divided into domain-general and domain-specific skills. For example, in the domain of work, some general skills would include time management, teamwork and leadership, self-motivation and others, whereas domain-specific skills would be used only for a certain job. Skill usually requires certain environmental stimuli and situations to assess the level of skill being shown and used. People need a broad range of skills to contribute to the modern economy (Merriam-Webster.com Dictionary, 2020). A skill is the ability to perform an action with determined results, often within a given amount of time, energy, or both. Skill is the ability to use knowledge effectively and perform efficiently (Merriam-Webster.com Dictionary, 2020).

Skill is a term that encompasses the knowledge, competencies and abilities to perform operational tasks. Skills are developed through life and work experiences and they can also be learned through study. There are different types of skills and some may be easier to access for some people than others, based on things like dexterity, physical abilities and intelligence. Skills can also be measured, and levels determined by skill tests. Most jobs require multiple skills, and likewise, some skills will be more useful for certain professions than others (Indeed Editorial Team, 2023).

Functional Skills

Functional skills are the skills that were previously called skills for life. They are the skills we all need in our lives. Functional Skills assess the fundamental skills of English and Mathematics and help to prepare people with the skills that they may need in their working and professional lives. In order to endure business effectiveness in organizations, the functional skills become an asset and instrument used to grow productivity. This implies that functional skills development could lead to better employee's productivity and ultimately improve organization productivity, (Eze, Mbah, & Oboko, 2022; Edeh, Nnamani & Mbah, 2023). Functional skills allow you to excel in your work and personal life. Gaining functional skills can improve your job prospects and increase your earning power by giving you tools that you can apply in everyday professional situations (Indeed Career Guide, 2023).

Components of Functional Skills

Emeritus (2023) outline ten components of functional skills which include; prioritization of needs, action-centric focus, result oriented, flexibility in leadership, clearly defined responsibilities, structured organization, boosting team morale, optimal support, serve as role model, guided approach (Emeritus, 2023). Components of Functional Skills used in the study were communication skills, and availability.

Communication Skills

Communication skills are some of the most utilized and the most sought after in the workplace. They are essential for leaders and individual contributors to hone. Looking at our largely remote and hybrid work environments, great

communication skills make the difference between connected, agile teams, and teams who fail to collaborate, stay aligned, and achieve common goals (Nicolas, 2023). The good news is that improving communication skills is easier than you might imagine.

Being able to communicate effectively is perhaps the most important of all life skills. Communication, at its simplest, is the act of transferring information from one place to another. It may be vocally (using voice), written (using printed or digital media such as books, magazines, websites or emails), visually (using logos, maps, charts or graphs) or non-verbally (using body language, gestures and the tone and pitch of voice). In practice, it is often a combination of several of these. Communication skills may take a lifetime to master—if indeed anyone can ever claim to have mastered them. There are, however, many things that you can do fairly easily to improve your communication skills and ensure that you are able to transmit and receive information effectively. The ability to communicate information accurately, clearly and as intended, is a vital life skill and something that should not be overlooked (Jouany and Martic, 2023). In the business world, many employers believe that proper internal communication can significantly increase employees' productivity. Leadership communication is particularly important for increasing employee motivation and morale, and CEO communications are important for building trust in the workplace and improving organizational alignment (Jouany and Martic, 2023; Eze, Edeoga, & Mbah, 2023).

Information Technology

Information technology is a set of related fields that encompass computer systems, software, programming languages and data and information processing and storage (Cosker, 2023). Information technology is the utilization of computers to manipulate, disseminate, retrieve, and store data and information. It is applied in the world of business to undertake various operations, which would otherwise be tedious. Information technology encompasses many areas like hardware and software that assist companies in carrying out their business operations. Most organizations underestimate the impact of information technology in their daily workflow; however, information technology propels the business towards their goals and of profitability and revenue growth (Study.com 2023). Gershon (2022), information technology is a broad professional category covering functions including building communications networks, safeguarding data and information, and troubleshooting computer problems.

Information technology (IT) is the utilization of computers, networking, data storage and connected devices, along with the infrastructure and processes involved, to facilitate business or administrative solutions. IT professionals are required to have deep knowledge of how devices are connected, not only understanding best practices to ensure success across organizations, but also creating new and innovative solutions specific to a company's given infrastructure. Information technology is the use of any computer-based technology that discerns its value from data. Accordingly, there are several different technological areas that IT encompasses. The four most basic and primary elements involving the use of all information technology include: information security, computer technical support, business software development and database and network management (Corbo and Avvisati, 2022). Kumari (2021), opine that the most fundamental IT definition is that it's the utilization of innovation to tackle business or authoritative issues for an expansive scope. Regardless of the job, an individual from an IT division works with others to take care of innovation issues, both of all shapes and sizes (Kumari, 2021).

Reliability

Reliability is defined as the probability that a product, system, or service will perform its intended function adequately for a specified period of time, or will operate in a defined environment without failure. Reliability is the degree to which a measurement instrument gives the same results each time that it is used, assuming that the underlying thing being measured does not change (Crossman, 2020). Reliability is everything for small businesses, it is what underpins the status and keeps the customers coming back (Ede, 2023). Reliability is the measure of how long a business service performs its intended function. In business, reliability and timing are at the core of every successful functioning relationship and the basis of trust. Without it, customers are left with only negative feedback and bad word of mouth to spread, meaning this person's community will also be lost to business. Developing an ongoing positive relationship with your customers and enlisting their support in growing your community should be achieved through meeting or even better exceeding their expectations (Schenk, 2022). Organizations that focus on reliability see these benefits: Assets are more maintainable, reliable, and available when needed. Assets function optimally as designed and avoid production loss. Maintenance and operation costs are controllable. Reliability is

everything for small and medium businesses. It is what supports reputation and keeps customers coming back (Business Foundations, 2022).

Components of Reliability

Ronnie (2021), two essential components of reliability include: Organizational stability (facilities and staffing) Management system (transparency, accountability, problem-solving, continual improvement and strategy deployment) Organizational continual learning (Ronnie, 2021). The components used in the study include; probability, and availability.

Probability of Success

Probability is simply how likely something is to happen. Whenever we're unsure about the outcome of an event, we can talk about the probabilities of certain outcomes—how likely they are. A probability is a number that reflects the chance or likelihood that a particular event will occur. Developing a risk management plan is a process that many businesses go through. Assessing probability is a key step to take (Joe, 2015). It starts with creating a comprehensive list of prospective threats and risks that may affect the company. Probability analysis allows us to assess the likelihood of different outcomes and make informed decisions to mitigate pure risk. By analyzing probabilities, we can identify potential risks, evaluate their impact, and develop strategies to minimize their consequences. Once probability has been decided, businesses must take the appropriate steps to mitigate losses. This could range from buying various insurance policies to modifying operational practices to ensure nothing goes wrong. Risk managers must always take a preventative stance on threats, as it's infinitely better to stop them in the first place than to mitigate them after they occur. A threat can impact a company at any time. However, by developing a solid risk management program, organizations are better prepared to prevent them from happening. Risk professionals should make sure their initiatives take the probability of risk occurrence into account to maximize the effectiveness of their programs (Joe, 2015).

Availability to Perform by SMEs

Availability is an environmental variable that indicates whether or not there is subject matter Experts available who have the knowledge or expertise you need, when you need it. Many SMEs' managers in Nigeria are ignorant of the contributions of information to the growth and survival of their firms. They lack required skills to operate information facilities, information on basic infrastructural facilities and infrastructure led to their poor performance (Unuegbu & Adeleye, 2020). Small and medium enterprises (SMEs) development has been recognized as the engine to every successful economy around the continents of the world. SMEs have become an increasingly important component of economic development. The products of SMEs form the bulk of goods export to other countries. They generate revenues to the government through taxes on goods and services produced, and thereby increase gross domestic products (GDP) of the country. SMEs make market more competitive through the introduction of different innovative products. SMEs are crucial for a healthy economy, and their competitiveness is indispensable to nation's success and growth (Samson, 2016). They provide employment opportunities and at the same time serve as wealth creator: promote social welfare, peace and political stability in the country. The significance of SMEs to the nation's economy necessitates the investigation into its performance. SMEs performance can be termed to be firm's success in the market, which may have different outcomes (Ojuye & Egberi, 2018 and Ugwu, 2021). (Unuegbu *et al.*, 2020) argue that the factors that can boost the SMEs performance which include educational background of owner/ manager, political stability, funds and market. The factors are classified into two: internal and external factors.

Availability of information in SMEs' sector will promote knowledge sharing among SMEs' workers. Acquisition of the right business information at the right time would pave way for the growth and development of SMEs. Availability of business information is the provision of the right information to an individual for use in order to perform a specific business task. Business information availability is as important as the capital for the investment. Information needs of SMEs operators must be available, availability of quality business information will contribute to the growth and development of SMEs.

The main sources of business information for SMEs include colleagues, competitors, customers, business associates, government officials, broadcast media, corporate libraries, journals, internet, company files, newspapers,

periodicals magazines, government publications, trade and industry association, handbooks/manuals, patents/standards, memoranda/circulars and video-tapes. These are available within and outside the business environment of managers in business organizations. Performance of SMEs will rely on availability of quality business information, in other words, information providers have to target categories of people that need specific information. Where Information is provided at random, users' needs are not met due to irrelevant information; this is equal to unavailability of information, since the specific information needs is not provided. Available information that is not timely, inaccurate, and lacks quality to solve an organization's problem cannot improve the performance of SMEs (Popoola and Ayankola, 2018; and Ugwu, 2021)

Availability of quality business information will help to carry out strategic plan on staff recruitment, the environment or location of the firm, selection of market and sales of the product or services, customer and supplier, pricing and how to access funds. The sources of raw materials, new business opportunity, launching of new products, competitor strategy, production, technologies trend, business intelligence, government regulations and policies that are important factors in the establishment of firms often influence the performance of SMEs. All these business activities would require access to relevant business information for optimal performance. If business information is available, access to it is a major factor in the development and survival of SMEs (Unuegbu et al., 2020).

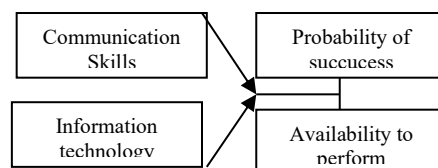
Small and Medium Enterprises (SMEs)

Small and midsize enterprises (SMEs) are businesses that maintain revenues, assets, or a number of employees below a certain threshold. Every country has its own definition of what constitutes a small and midsize enterprise. Certain size criteria must be met, and occasionally, the industry in which the company operates is taken into account as well (Liberto, James & Kvilhaug, 2023). Asokan (2023), SMEs are businesses that have a limited number of employees and a relatively low turnover. The definition of SMEs varies by country, but generally, they are defined as businesses with fewer than 250 employees and an annual turnover of less than €50 million. SMEs are considered the backbone of the economy, as they account for a significant portion of employment and economic growth (Asokan, 2023).

Small and medium scale enterprises are at the center of growth and development in Ebonyi State. This is because SMEs are the major contributors to the revenue generation drive of the economy. SMEs are important in the state because they are the highest employers of labour and wealth creators as well as drive direct foreign investment into the State. The importance of SMEs was aptly enunciated by Obi, et al. (2018) who noted that SMEs are critical to the development of the local economy because it contributes to job creation, economic growth, and poverty reduction. The use of digital technologies and data to transform the current business model, reshape the way work is done, and add a new dimension to interactions with customers, contractors, and government agencies, as well as create new opportunities for generating revenue and creating products is referred to as digitalization (Okoli and Nwosu, 2023). Small and medium enterprises are sources for economic growth and development for every nation, because as they grow, their economy grows too. In this era of industrialization, where the development index of nations are measured basically on their achievement in terms of provision of welfare to their populace, small scale businesses play a role as employment providers in a way that ensures equitable income distribution (Olowu, 2023).

Conceptual Framework of the Study

A conceptual framework shows how your variables should relate to one another. It lays out the pertinent goals for your investigation and shows how they connect to produce logical findings. Conceptual frameworks show cause-and-effect relationships and are frequently displayed visually (Bas and Tegan, 2022).



Source: Field Survey, 2024

Theoretical Framework

System theory was developed by Von Bertalaffy (1956). The study was anchored on System theory since the type of structure instituted by an organization determine it controlling and coordinating capability in achieving their objectives just as the dimensions influences the performance of firms. The theory fosters system thinking in all disciplines in order to find general principles valid to all system and defines a system as a complex of interacting elements. A fundamental idea of this theory is its focus on interactions that the behaviour of a single autonomous element is different from its behaviour when the element interacts harmoniously with other elements.

The study was anchored on this theory and in line with objective one of the studies in the sense that the theory assumes that the whole is greater than the summation of the individual parts that makes up the whole. The basic open systems theory states that in any organizational system, technical or task aspects are interrelated with the human or social aspects, focusing on the relationships between the technical processes of transformation within the organization as well as the organization of work groups and the management structure of the organization. This theory is relevant to this study since the type of structure instituted by an organization determine it controlling and coordinating capability in achieving their objectives just as the dimensions influences the performance of firms (Ede, Okolie and Igwe2023).

Empirical Review

Communication skills and profitability

Olowu and Aliyu (2015) conducted a study on the impact of managerial skills on small scale businesses performance and growth in Nigeria. The study sought to examine the impact of managerial skills on SSBs performance in Bauchi state of Nigeria. The study adopted simple linear regression. The finding shows that managerial skills have significant impact on SSBs performance. The study concluded that inadequate managerial skills are factors militating against SSBs performance. The study recommended that government, non-government organizations and SSB owners' unions should provide adequate training and development programmes to improve the managerial skills of SSB owners and their management.

Gontur et al. (2018) carried out a study on marketing skills for sustainable development of small and medium scale enterprises in Plateau State, North Central, Nigeria. The study sought to examine the impact of marketing skills for sustainable development of small and medium scale enterprises. The study uses the descriptive survey research design approach. The sample size of one hundred and ninety-five was used in the study. Data were analyzed using mean and standard deviation; the hypotheses were tested using t-test statistics. The findings showed that most of SMEs in the state do not have the requisite marketing skills required to enhance the economic states of their business. The study concludes that the acquisition of marketing skills by owners of SMEs is non-negotiable, looking at the benefits associated with possessing these skills to the owners of the SMEs and the country at large. The study recommended that owners of SMEs should avail themselves the opportunity to acquire marketing skills that would help to increase sales profitability of their products and services.

Masecko and Kungu (2020) conducted a study on the effects of communication on the growth of SMES in Wakulima Market, Nairobi County, Kenya. The study sought to determine the effects of communication on the growth of SMES. The study adopted a descriptive survey research design. The population of five hundred and seventy six (576); and sample size of two hundred and thirty six (236) was used. The finding showed that communication had a positive significance influence on the growth of SMES. The study concluded that communication that is transparent, open, effective communication in an organization will create a sense of openness that builds trust across employee levels. The study recommended that SMES should develop a communication strategy by first recruiting a group of employees in a room and creating a plan for how the company interacts with employees.

Ede (2023) conducted a study on digital literacy and customers experience of small and medium enterprises in Enugu State. The objectives were to: Examine the relationship between creativity and reliability of small and medium enterprises and identify the relationship between functional skills and the integrity of small and medium enterprises in Enugu state. The study adopted descriptive survey design approach. The population of one thousand two hundred and eighty three (1283); and sample size of two hundred and ninety-five (295) was used. The finding shows that the

ability to access the internet which involves locating, evaluating, and creating content using technology and communicating effectively with others. The study concluded that creativity and functional skills had significant positive with the reliability and integrity of small and medium enterprises in Enugu state. The study recommended that the management of the small and medium enterprises should equip themselves with digital literacy to enhance creativity and innovation for the development of new ways of improving an existing product or service to optimize the business.

Information Technology Skills and Availability to Perform

Akande and Yinus (2013) conducted a study on an appraisal of the impact of information technology on Nigeria small and medium enterprises performance. The purpose of the study was to explore the extent to which the improvement in SMEs operation performance can be certified to the implementation of Information technology (IT). The sample size of two hundred (200) was used. The study employed non-parametric statistical test, chi-square. The finding shows showed that information technology has a significant impact on the performance of SMEs operation in Nigeria. The study concluded that involvement by SMEs in IT will significantly improve their performance in term of productivity, time saving, business turnover, operation expenses reduction and also increase level of country economy as whole. The study recommended that there in need for more training facilities in IT for SMEs, and ease of use to free professional advice and consulting on IT at reasonable cost to SMEs.

Hassan and Ogundipe (2017) conducted a study on ICT adoption by micro and small-scale enterprises in Nigeria: A case study of the Federal Capital Territory, Abuja. The study investigates the determinants of ICT adoption by MSEs using a primary data analysis in the Federal Capital Territory, Abuja, Nigeria. The study adopted structured questionnaire. The study recommended that in line with national ICT policy, government should ensure efforts are geared towards the attainment of full ICT adoption by MSEs in Nigeria.

Akyuz, Opusunju & Isaac (2019) conducted a study on the impact of information and communication technology on the performance of small and medium scale enterprises in Abuja. The purpose was to examines the impact of information and communication technology on the performance of SMEs in Abuja. Over the years, there have been existent of information technology in Abuja and so many large firms adopted it in their business operation but unfortunately, the small and medium scale enterprises in Abuja do fully adopt information technology. The study used descriptive survey designed and employed the use of a questionnaire administered to the respondents who are the owners of SMEs. The population of the study is 26000 and sample size of three hundred and ninety three (393) was used. The finding showed that there was a significant relationship between information technology and performance of SMEs in Abuja. The study concluded that from the findings there is a significant relationship between information technology infrastructure and performance of SMEs in Abuja. The study recommended that SMEs firm should continually use information and communication technology in terms of the services, infrastructure and user skills since it contributes significantly to the performance of SMEs in terms of increase in sales, increases in patronage, market share and output.

Summary of the Review

Based on the findings of the study, SMEs play an important role in reducing unemployment and poverty, despite their significant on socio-economic contribution, the failure rate among SMEs in Nigeria is high. Small and medium size enterprises (SMEs) play a pivotal in economic development of many countries. Their roles include creation of employment opportunities; poverty reduction and economic growth of many countries. These benefits can be attributed to the ability of entrepreneurial skills in improving their business performance. The study was founded on open System theory by Von Bertalaffy (1956). Open systems theory allows the inflow and outflow of information, energies, and materials. Any system that permits the information, material, and energy exchange is considered an open system

The empirical review was carried out based on the variables of the study. Most of the empirical was done in Nigeria; few were done outside the country. None of the previous studies was seen conducted related topic of the present study “functional skills and the reliability of SMEs in Ebonyi State”. Therefore, the study was motivated to bridge the gap in review.

Methodology

The area of the study was Ebonyi State on the functional skills and the reliability of SMEs in Ebonyi State. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. The population of the study was nine hundred eighty-seven (987) employees. The sample size of two hundred and seventy-seven (277) was adopted using Ferund and Williams’s formula. Two hundred and sixty-nine (269) employees returned their questionnaire and accurately filled. That gave 97 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.86 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation coefficient (r) - test statistic tool.

Data Presentation

Table 1: Responses on the communication skills and probability of success of SMEs in Ebonyi State

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	The flexibility in leadership promotes productivity of the SMEs	475 95 35.3	80 20 7.4	57 19 33.8	82 41 15.2	22 22 8.2	716 269 100%	3.46	1.326	Agree
2	The action-centric of the SMEs enhanced their efficiency	765 153 56.9	80 20 7.4	117 39 14.5	62 31 11.5	26 26 9.7	1050 269 100%	3.90	1.429	Agree
3	Boosting team morale increases confidence in the organisation	610 122 45.4	80 20 7.4	219 73 27.1	52 26 9.7	28 28 10.4	989 269 100%	3.68	1.397	Agree
4	Optimal support facilitates the SMEs to stay aligned in the business	655 131 48.7	220 55 20.4	99 33 12.3	52 26 9.7	24 24 8.9	1050 269 100%	3.90	1.340	Agree
5	Clearly defined responsibilities contribute to more effectiveness of the SMEs	810 163 60.6	148 37 13.8	66 22 8.2	52 26 9.7	21 21 7.8	1097 269 100%	4.10	1.332	Agree
Total Grand mean and standard deviation								3.808	1.3648	

Source: Field Survey, 2024

Table 1, 115 respondents out of 269 representing 42.7 percent agreed that the flexibility in leadership promotes productivity of the SMEs of mean score 3.46 and standard deviation of 1.326. The action-centric of the SMEs enhanced their efficiency 173 respondents representing 64.3 percent agreed with mean score of 3.90 and standard deviation of 1.429. Boosting team morale increases confidence in the organisation 142 respondents representing 52.8 percent agreed with mean score of 3.68 and standard deviation of 1.397. Optimal support facilitates the SMEs to stay aligned in the business 156 respondents representing 69.1 percent agreed with mean score of 3.90 and 1.340. Clearly defined responsibilities contribute to more effectiveness of the SMEs 200 respondents representing 74.4 percent agreed with a mean score of 4.10 and standard deviation 1.332.

Table 2: Responses on the information technology skills and availability to perform of the SMEs in Ebonyi State

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	The utilization of computers facilitates administrative solutions	555	264	54	96	26	995	3.70	1.407	Agree
		111	66	18	48	26	269			
		41.3	24.5	6.7	17.8	9.7	100%			
2	The use of networking enhanced linkage of the departments	615	376	57	26	20	1094	4.07	1.179	Agree
		123	94	19	13	20	269			
		45.7	34.9	7.1	4.8	9.7	100%			
3	Data storage in the organisation reduced loss of information	780	284	54	12	18	1148	4.27	1.128	Agree
		156	71	18	6	18	269			
		58.0	26.4	6.7	2.2	6.7	100%			
4	The connected devices in the organisation promoted effectiveness and efficiency	680	352	39	36	14	1085	4.17	1.125	Agree
		136	88	13	18	14	269			
		50.6	32.7	4.8	6.7	5.2	100%			
5	Disseminating and retrieving of information through technology increased employee motivation and morale	420	468	39	76	17	1020	3.79	1.207	Agree
		84	117	13	38	17	269			
		31.2	43.5	4.8	14.1	6.3	100%			
Total Grand mean and standard deviation								4.00	1.2092	

Source: Field Survey, 2024

Table 2, 177 respondents out of 269 representing 65.8 percent agreed that the utilization of computers facilitates administrative solutions of mean score 3.70 and standard deviation of 1.407. The use of networking enhanced linkage of the departments 217 respondents representing 80.6 percent agreed with mean score of 3.07 and standard deviation of 1.179. Data storage in the organisation reduced loss of information 227 respondents representing 84.4 percent agreed with mean score of 4.27 and standard deviation of 1.128. The connected devices in the organisation promoted effectiveness and efficiency 224 respondents representing 83.3 percent agreed with mean score of 4.17 and 1.125. Disseminating and retrieving of information through technology increased employee motivation and morale 201 respondents representing 74.7 percent agreed with a mean score of 3.79 and standard deviation 1.207.

Test of Hypotheses

Hypothesis One: Communication skills have relationship with the probability of success of SMEs in Ebonyi State.

		The flexibility in leadership promotes productivity of the SMEs	The action-centric of the SMEs enhanced their efficiency	Boosting team morale increases confidence in the organisation	Optimal support facilitates the SMEs to stay aligned in the business	Clearly defined responsibilities contribute to more effectiveness of the SMEs
The flexibility in leadership promotes productivity of the SMEs	Pearson Correlation	1	.605**	.686**	.563**	.501**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	269	269	269	269	269
The action-centric of the SMEs enhanced their efficiency	Pearson Correlation	.605**	1	.752**	.700**	.787**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	269	269	269	269	269
	Pearson Correlation	.686**	.752**	1	.721**	.651**

Boosting team morale increases confidence in the organization	Sig. (2-tailed)	.000	.000		.000	.000
	N	269	269	269	269	269
Optimal support facilitates the SMEs to stay aligned in the business	Pearson Correlation	.563**	.700**	.721**	1	.705**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	269	269	269	269	269
Clearly defined responsibilities contribute to more effectiveness of the SMEs	Pearson Correlation	.501**	.787**	.651**	.705**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	269	269	269	269	269

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 showed the Pearson correlation matrix on Communication skills and the probability of success of SMEs in Ebonyi State with increased profit showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows $.386 < .969$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that Communication skills had significant positive relationship with the probability of success of SMEs in Ebonyi State, ($r = .501 < .787$). The computed correlations coefficient is greater than the table value of $r = .000$ with at alpha level for a two-tailed test ($r = .501 < .787, p < .05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed ($r = .501 < .787$) is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that Communication skills had significant positive relationship with the probability of success of SMEs in Ebonyi State as reported in the probability value of ($r = .501 < .787, p < .05$).

Hypothesis Two: Information technology has relationship with the availability to perform of the SMEs in Ebonyi State

		The utilization of computers facilitates administrative solutions	The use of networking enhanced linkage of the departments	Data storage in the organisation reduced loss of information	The connected devices in the organisation promoted effectiveness and efficiency	Disseminating and retrieving of information through technology increased employee motivation and morale
The utilization of computers facilitates administrative solutions	Pearson Correlation	1	.565**	.378**	.541**	.488**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	269	269	269	269	269
The use of networking enhanced linkage of the departments	Pearson Correlation	.565**	1	.651**	.770**	.539**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	269	269	269	269	269
Data storage in the organisation reduced loss of information	Pearson Correlation	.378**	.651**	1	.723**	.461**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	269	269	269	269	269

The connected devices in the organisation promoted effectiveness and efficiency	Pearson Correlation	.541**	.770**	.723**	1	.603**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	269	269	269	269	269
Disseminating and retrieving of information through technology increased employee motivatio and morale	Pearson Correlation	.488**	.539**	.461**	.603**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	269	269	269	269	269
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 4 showed the Pearson correlation matrix on information technology and the availability to perform of the SMEs in Ebonyi State showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows $.386 < .969$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that information technology had significant positive relationship with the availability to perform of the SMEs in Ebonyi State ($r = .378 < .770$). The computed correlations coefficient is greater than the table value of $r = .000$ with at alpha level for a two-tailed test ($r = .378 < .770, p < .05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed ($r = .378 < .770$) is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that information technology had significant positive relationship with the availability to perform of the SMEs in Ebonyi State as reported in the probability value of ($r = .378 < .770, p < .05$).

Discussion of Findings

From the result of hypothesis one, the computed ($r = .501 < .787, P < .05$) was greater than the table value of $.000$. Therefore, we concluded that Communication skills had significant positive relationship with the probability of success of SMEs in Ebonyi State as reported in the probability value of $r(95, n = 269), .501 < .787, P < .05$. In support of the result, Gontur et al. (2018) carried out a study on marketing skills for sustainable development of small and medium scale enterprises in Plateau State, North Central, Nigeria. The findings showed that most of SMEs in the state do not have the requisite marketing skills required to enhance the economic states of their business. The study concludes that the acquisition of marketing skills by owners of SMEs is non-negotiable, looking at the benefits associated with possessing these skills to the owners of the SMEs and the country at large. Masecko and Kungu (2020) conducted a study on the effects of communication on the growth of SMES in Wakulima Market, Nairobi County, Kenya. The finding showed that communication had a positive significance influence on the growth of SMEs. The study concluded that communication that is transparent, open, effective communication in an organization will create a sense of openness that builds trust across employee levels.

From the result of hypothesis two, the computed ($r = .378 < .770$) was greater than the table value of $.000$. Therefore, we concluded that Information technology had significant positive relationship with the availability to perform of the SMEs in Ebonyi State as reported in the probability value of $r(95, n = 269), .378 < .770, p < .05$. In support of the result, Akande and Yinus (2013) conducted a study on an appraisal of the impact of information technology on Nigeria small and medium enterprises performance. The finding shows showed that information technology has a significant impact on the performance of SMEs operation in Nigeria. The study concluded that involvement by SMEs in IT will significantly improve their performance in term of productivity, time saving, business turnover, operation expenses reduction and also increase level of country economy as whole. Akyuz, Opusunju & Isaac (2019) conducted

a study on the impact of information and communication technology on the performance of small and medium scale enterprises in Abuja. The finding showed that there was a significant relationship between information technology and performance of SMEs in Abuja. The study concluded that from the findings there is a significant relationship between information technology infrastructure and performance of SMEs in Abuja.

Summary of Findings

- i. Communication skills had significant positive relationship with the probability of success of SMEs in Ebonyi State $r(95, n = 269), .501 < .787, P < .05$.
- ii. Information technology had significant positive relationship with the availability to perform of the SMEs in Ebonyi State $r(95, n = 269), .378 < .770, p < .05$.

Conclusion

The study concluded that Communication skills and Information technology had significant positive relationship with the probability of success and availability to perform of the SMEs in Ebonyi State. Functional skills provide vital knowledge people need to learn, work and contribute to society more effectively. They improve literacy and numeracy skills essential to everyday transactions in trade and services. The learning material uses real-life contexts to teach these skills, making it easier for students of every age to understand and apply them. Functional skills provide people of all skill and education levels with a more relatable way of learning and applying their knowledge. The skills improve reading, writing and communication and allow students to gain a better understanding of numbers and mathematical concepts. This improves job performance by increasing confidence, efficiency and productivity.

Recommendations

The study recommended that

- i. The management of the SMEs should emphasize on the effective Communication as this will help us better understand people and situations and help overcome diversities, build trust and respect, and create conditions for sharing creative ideas and solving problems.
- ii. To boost productivity and efficiency there is need for information technology with digital systems, people can perform tasks faster compared to manual methods. Enabling decision-making easier through data-driven data extracted from the latest tools.

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